WEATHER DATA APPEAR ON PAGE 12

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LONDON, THURSDAY, JULY 22, 1982



Palestinian guerrillas and Syrian soldiers danced Wednesday in West Beirut during Bayram, or Id, a three-day festival that immediately follows the Ramadan month of fasting for Moslems.

# **Israelis Say They Are Unwilling** To Compromise on PLO Pullout

by Our Staff From Dispatches JERUSALEM — The Israeli government indicated Wednesday that it would accept no compro-mise on its demand for the evacu-ation of all Palestinian guerrillas from their stronghold in West

The tough Israeli position was voiced by officials here following reports that U.S. and Arab leaders were examining proposals for tem-porary agreements on the Beirut crisis and some sort of recognition of Israel by the Palestine Liber-

ation Organization. Defense Minister Ariel Sharon ruled out any "arrangement of interim agreements or separation of troops," and said Israel would reject any proposal "that may threaten or harm us elsewhere in order to make it easier to settle the five-week-old standoff.

A senior Israeli official who asked not to be named said Israel had rebised demands by the PLO for an Israeli pullback from the outskirts of the Lebanese capital. miles (80 kilometers) north of proposals with the PLO. Beirut. There is a large Palestinian

camp near Tripoli. "The PLO is not in any position

The only subject we are prepared to talk about is the departure of the PLO from Lebanon.

Israel was still waiting for a report from Washington on talks Tuesday between President Reagan and the foreign ministers of Syria and Saudi Arabia, but the official said first impressions from news reports were not encourag-

ing.
The ministers, Abdel Halim Khaddam of Syria and Prince Saud al-Faisal of Saudi Arabia, outlined to Mr. Reagan a plan to move the estimated 6,000 PLO fighters in West Beirut to northern Lebanon before evacuating them to other Arab states, U.S. administration officials said.

Mr. Khaddam and Prince Saud stressed to Mr. Reagan that the concept had to be endorsed by the Arab League at a meeting to be held in the next few days, U.S. of-Licials said. ::

The American officials said they He also dismissed a new plan for Habib, in Bearut for discussion the PLO lighters to withdraw to with Lebanese government authorthe coastal city of Tripoli, about 50 ities, who presumably will raise the

Officials in Washington said to set conditions," the official said. ideas unless they are guaranteed

forces to northern Lebanon will only be temporary and that other Arab states will accept the guerril-

No Arab state has said it would take the PLO fighters. But Prince Saud said Monday that Iraq and Algeria had agreed to do so. And officials in Jerusalem said Syria, Egypt and possibly Saudi Arabia also might take groups.

2 Weeks More

Meanwhile, Prime Minister Menachem Begin was quoted as telling the Tel Aviv daily Ma'ariv that the Beirut crisis might not be resolved for another two to three weeks. But he insisted that the Palestinian guerrillas "have to leave Beirut to the last man in some way or another.

In Beirut on Wednesday, demonstrators poured out of mosques in the Moslem-dominated Western sector in the first organized public were sending the proposals to the U.S. presidential envoy, Philip C. raeli and PLO presences.

Guerrillas fired into the air in an effort to thwart the march, but the demonstrators pressed on over embankments and through barricades to reach Lebanon's Parliament they do not believe that the Leba- building in the no-man's land benese authorities will agree to the tween the Moslem and Christian

He said that the authorities

would do all in their power to

before the Black Madonna jubilee

celebrations end in September,

1983. Archbishop Glemp an-

nounced Wednesday that the cele-

brations would be extended until

Polish government was not ready

to accept all the church's condi-

tions for the visit. These were un-

derstood to include the release of

Lech Walesa and the other in-

Earlier this month the Soviet

press unleashed a barrage of criti-

cism of the Polish church and of

the pope's visit, suggesting that the

trip was a ploy to whip up anti-Socialist feeling and undermine

Archbishop Glemp's announce-

ment was made one day after the

pope had held talks with the Polish

foreign minister, Jozef Czyrek,

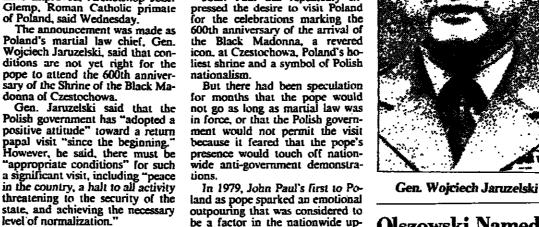
the political system.

terned members of Solidarity.

Political sources said that the

that date

make the visit possible "next year"



who made a surprise visit to Rome. Polish church sources said that the

foreign minister had brought a

proposal to the pope that the trip be postponed until next May.

John Paul has repeatedly ex-

pressed the desire to visit Poland

outpouring that was considered to be a factor in the nationwide upheaval that resulted the following year in the formation of Solidarity.

"When we thought about the Holy Father's visit this August we considered all the possibilities but also all the obstacles," Archbishop Glemp said in a homily during a Mass for Polish residents of Rome in the Polish chapel in the grottoes of St. Peter's Basilica.

"And the Holy Father himself, reflecting on the circumstances, has decided to postpone his trip to a later date within the jubilee year," he said.

"In fact, we do not want this trip to take place in a period of nervousness and excitement but we want the visit of the head of the church and also our spiritual teacher to take place at a time when we will be able to welcome his every word, our common prayer with him in a religious spirit, without hesitation, without emotions dictated by external condi-



Gen. Wojciech Jaruzelski

#### Olszowski Named Foreign Minister

Compiled by Our Staff From Dispatches WARSAW - Stefan Olszowski, a veteran Polish politician who resigned as Communist Party propaganda chief last week, was appointed foreign minister by parlia-

ment Wednesday.

Mr. Olszowski, who was foreign minister from 1971 to 1976, replaces Jozef Czyrek, who will retain responsibility for the foreign relations of Poland's ruling Communist Party. Both are members of

the Politburo, the party's top body. Mr. Olszowski's appointment had been expected since he was dropped last week from the Communist Party secretariat in a major shake-up at a Central Committee meeting. Observers said the promotion effectively removed him from the party hierarchy, where his hard-line ideology was a challenge to Gen. Wojciech Jaruzelski.

# Conditions Set for Lifting Martial Law by Year's End

By Dan Fisher Los Ángeles Times Service

WARSAW — Poland's martial law authorities Wednesday ordered the release of more than 1,200 internees - about two-thirds of those still held — and said it is the government's "intention" to lift martial law by the end of the

However, they also announced that martial law would be suspended only if the country remains calm and parliament votes "special powers" that the government can use to forestall any new threats to the system.

More than 600 persons — including Lech Walesa and most of the other top leaders of the sus-pended Solidarity trade union movement — will remain under detention as political risks. Also, 4,000 to 6,000 union activists and sympathizers are either serving jail terms for political crimes or in prison awaiting summary trial on

political charges. The government announcements were made in separate speeches to the parliament by Gen. Wojciech Jaruzelski, leader of the martial law regime, and Deputy Premier Mieczyslaw Rakowski, and in a press conference by a government

All were timed to coincide with Wednesday's National Day celebrations, and they followed a carefully orchestrated campaign of leaks to the Western press over the past several weeks that suggested the government would take major steps toward healing the country's political wounds.

The reality, however, was far more modest.

"It was a lot less than the performance that was being hinted at by the government," a Western diplomat commented. "It misses the point of social pressure there's no amnesty, nothing that

holds out any promise to people who are angry, frustrated or

ESTABLISHED 1887

The authorities' actions also fall far short of the conditions set by the Reagan administration and some other Western nations for lifting of economic sanctions imposed after the declaration of martial law in December. Those conditions include the lifting of martial law, release of all internees and a resumption of dialogue between

the government and Solidarity. Gen. Jaruzelski told parliament that martial law remains necessary because of continuing activity of the domestic and foreign opponent, and particularly the administration in Washington, which has permitted itself just a few days ago to make further gross attacks

against Poland." This "opponent" distributes provocative propaganda, inspires street riots and threatens the country with a general strike, Gen. Jaruzelski said.

Later, Wieslaw Gornicki, a gov-ernment spokesman, issued the martial law authorities' strongest attack yet on President Reagan personally. Mr. Gornicki said the president's remarks on Monday, marking the beginning of Captive Nations Week, were "insulting to Poland and the Polish nation and substandard to civilized countries maintaining diplomatic ties."

Mr. Reagan referred to the imposition of martial law in Poland as a "bitter reminder that the quest for freedom and self-determination can only be restrained by force," and said it "demonstrated the moral bankruptcy of a system which has been unable to earn the support of its population after more than 35 years in power."

Gen. Jaruzelski said that the rul-

ing Military Council for National Salvation has ordered a further re-(Continued on Page 2, Col. 3)

CAVALRY AT BOMBING SITE - Members of the Oueen's Household Cavalry, escorted by uniformed London police, rode Wednesday past the spot in Hyde Park where three members were killed Tuesday by an IRA bomb, Page 5.

#### **Apparent Stalemate in Gulf War** Is Victory for Iraq, U.S. Aides Say That fear now appears to be a western Iran until Iranian coun-reality after a week of intense terattacks this year pushed then By Philip Taubman

New York Times Service WASHINGTON - After a

week of heavy fighting. Iraq ap-pears to have achieved a limited but important military victory in war with Iran by blunning a major offensive and forcing a stand-off, according to U.S. officials. On Wednesday, Iraq said it re-pelled an Iranian air attack on Sagadad and shot down one of the raiding F-4 Phantom jets, The Associated Press reported Iran said its planes sucreeded in bombing oil facilities in Baghdad.]

While cautioning that the eventhat outcome of the war remained in doubt, Reagan administration officials who have been monitoring the fighting said Tuesday that Iraq's successful defense of its territory had lurned the momentum

They said that Iranian setbacks in the field were likely to rekindle political dissent about the war in lehran. Some Iranian officials, inchoing Foreign Minister Ali-Akbar Velayan, initially opposed the invasion of Iraq for fear that it might lead to a costly, protracted battle for foreign territory of debitable strategic importance, according to U.S. State Department. fighting in southern Iraq that be-gan with Iranian advances but ended with an effective Iraqi coun-

"After their easy victories over Iraqi forces inside Iran during the spring, and the subsequent rapid withdrawal of Iraqi forces, Iranian officials counted on a quick victory when they invaded," a senior State Department official said. "Instead, Iran was thrown back and must now regroup and resupply its forces before beginning another major offensive. It's questionable whether they can do

Heavy but inconclusive fighting has continued in an area to the northeast of the Iraqi port of Bas-ra, American officials said. Basra is 14 miles (23 kilometers) from the border. Combat has been concentrated in that area since Iranian forces invaded last Tuesday.

U.S. officials noted that Iranian battle reports, which began with dramatic victory claims last week, have adopted a defensive tone. A report Tuesday, for example, concluded by reporting that "the forces of Islam are guarding the captured positions and sectors with the utmost alertness." Iraqi forces occupied parts of

terattacks this year pushed them back toward the border. President Saddam Hussein of Iraq ordered his forces to retreat to the border this spring.

American officials were concerned that Iran's invasion might produce a quick victory over lraq and lead to the installation of a new government in Baghdad sympathetic to the Islamic fundamentalist government in Tehran.

Saudi Arabia and other Gulf nations also viewed the war with alarm. They were concerned that their security and the stability of the Gulf region would be threatened by a successful Iranian inva-

The United States offered last week to hold military exercises with Gulf nations that might feel threatened. No requests for such maneuvers have been received and no exercises are scheduled, State Department officials said.

Perhaps realizing that they face a deadlocked situation in the war, Iran's leaders this week opened a political offensive in the Middle East apparently intended to allay fears that their nation posed a threat to the Gulf states. The Iranians, however, warned the other Gulf nations not to supply arms to

# U.S. Raises Estimate of Soviet Arms Spending

#### Defense Intelligence Agency Also Foresees Growth in Oil Production

By Richard Halloran New York Times Service

WASHINGTON - The Defense Intelligence Agency has estimated that the Soviet Union is spending more of its national wealth for military power than previously report-

The agency has also found that the production of some weapons declined as Soviet military planners move to more advanced and more expensive weapons. A

similar trend is under way in the

The Defense Department's intelligence arm has also predicted that Soviet oil production will continue to rise slowly until 1985, level off for five years, and then resume its rise in the 1990s. This forecast is at odds with that of the CIA.

The defense agency's assessments were presented to the Joint Economic Committee of Congress on June 29 by the agency's direc-

tor, Lt. Gen. James A. Williams. The agency said Soviet military His report was made public by Sen. William Proxmire, Democrat of Wisconsin and a member of the committee.

The agency's assessment of Soviet military spending appeared to support a contention of the Reagan administration that the United States must increase military spending to deter the expansion of Soviet military power.

But the reported decline in weapons production has led staff specialists in Congress to suggest that a reversal in the Soviet buildup may have set in.

"We could be seeing a moderation in their defense production," an official said.

The prediction on Soviet oil production may affect U.S. military strategy in the oil-producing region around the Gulf. Some administration officials have said that they expect the Soviet Union to invade Iran within this decade because Soviet oil production will have begun dropping. In that event, U.S. strategy would be to threaten the Soviet Union with a direct military confrontation.

#### Growth Slowing

According to the agency, the Soviet Union was previously estimated to spend 12 to 14 percent of its national wealth for military purposes. A new calculation, based on recent prices in rubles, put it at 14 to 16 percent.

The United States spent 4.9 percent of the gross national product

calculated, was \$252 billion, compared with \$168 billion in the United States.

Sen. Proxmire said in a statement that "the economic evidence needs to be watched closely to see whether Soviet defense spending rates go up or down in future

With Soviet economic growth slowing, more income has evidently been drained from consumers in the Soviet Union. But Gen. Williams told the Joint Economic Committee that "a continued upward trend in military spending is likely" as the military continues to take top priority.

The report submitted by Gen. Williams showed sizable declines in the production of tanks and other armored vehicles, self-propelled anti-aircraft artillery, transport planes, submarines and both large and small surface ships.

Officials of the agency said the decline in tank production was due to retooling to produce new mod-els. Anti-aircraft artillery is being phased down as missiles replace guns. Fewer but larger transport planes are being turned out.

The officials said that a major indicator for a continued increase in Soviet military spending was a projection for machine tool production during the five-year plan that ends in 1985. Machine tools for civilian industries are set to rise by 34.8 percent over the 1980 level while those destined for military production are to so up by 43.4

#### To Cut Wrists At the Palace Compiled by Our Staff From Dispatches

Man Planned

LONDON - An intruder who entered Queen Elizabeth II's bedroom on the morning of July 9 planned to slash his wrists in front of her with a broken ashtray, a government-ordered police inquiry disclosed Wednesday. The British government announced a major shake-up in royal security. As the official report was pub-

lished, Home Secretary William Whitelaw told a packed House of Commons that a new royal security unit has been established and a 24-hour police guard posted outside the queen's private apartment in Buckingham Palace. Assistant Police Commissioner

John Dellow, who conducted the inquiry, said that although there were technical failures of security equipment, the basic reason the man was able to get into the queen's bedroom was "a series of failures" by incompetent police-men, including failure to respond quickly to an alarm the man activated in another room of the royal apartment.

The police report said Michael Fagan, 31, an unemployed laborer. entered the queen's bedroom carrying a piece of a broken glass ash-

Mr. Fagan "claimed that he had not entered the palace with this intention [of slashing his wrists] but that it formed in his mind for the first time when he saw the ashtray," the report said.

#### Cigarette Decov

It said that before police arrived in response to the queen's telephoned calls for help, the queen attracted the attention of a maid, and together they ushered Mr. Fagan into a nearby pantry on the pretext of supplying him with a

cigarette. They were joined there by a footman who had returned from exercising the queen's dogs, and "the footman helped to keep Mr. Fagan in the pantry by supplying him with cigarettes until first one and then another police officer arrived and removed him." the re-

port said. The government has said Mr. Fagan will not be prosecuted for entering the palace and the queen's bedroom. He will stand trial on charges of stealing a half-bottle of wine during an earlier palace break-in, and for unrelated assault

and car theft complaints. Mr. Whitelaw also announced that Britain's Security Commission will investigate the appointment and activities of the queen's former bodyguard, Cmdr. Michael Trestrail, who resigned this week after admitting he had had a lengthy af-

fair with a male prostitute. Mr. Whitelaw said Cmdr. Trestrail's confession raised further grave questions about the queen's security. He said the officer's homosexual association must have carried risks of blackmail, and it was criminally negligent that the authorities did not act on the disclosure as soon as it came to their

#### Philippine Cardinal Calls for Marcos to Resign to fly to the United States on en Samar Island, 200 miles (320 ki-



MANILA - The leader of the Philippines' 42 million Roman Catholics called Tuesday for the resignation of President Ferdinand E. Marcos in favor of new leadership to stem growing Communist

influence. Cardinal Jaime Sin said Mr. Marcos has lost the people's respect and failed to solve the nation's problems despite 16 years of uninterrupted rule, including eight under martial law. Cardinal Sin has been outspoken in his criticism of Mr. Marcos, and in the past has accused the government of human rights violations and corruption.

"He cannot blame the people because he has been there for so long a time and he could have already given a solution to the problems of the country," Cardinal Sin said in an interview. "No other mesident has been eiven such an

Monday for a two-week visit, refused to speculate on the composition of a transition government or a successor to Mr. Marcos.

There are so many good leaders but they are not given the opportunity to lead. Something has to be done to restore respect for the government. Everything is topsy-nuvy now. If we had a leader who would gain the respect of the people this would solve the probem." he said.

The Communist New People's Army is attracting new recruits in its guerrilla war against the Marcos regime because of widespread graft and corruption, Cardinal Sin

"Even the president himself believes that graft and corruption is very strong. That's why people are going to the left," he said

lometers) south of Manila, were working with the New People's 'I cannot say there are none

who have joined the New People's Army because we all make mistakes," the cardinal said. Sri Lanka Plans Move

Against Air Hiiacker COLOMBO, Sri Lanka — Sri Lanka's Parliament began discussing a bill Wednesday that would allow the government to take legal action against air hijacker Sepala Ekanayaka, 33.

Foreign Minister Shahul Hameed, who introduced the bill, said that it would enable Sri Lanka to take action against a hijacker in the courts here or to extradite him

# INSIDE

Rhetoric has rarely had so strange an encounter with reality as in last week's detention of two Soviet peace activists. As the Kremlin officially welcomed the first group of international peace marchers permitted to hold demonstrations in Russian cities, the two activists were given 15 days in jail to keep them from contacting the visitors. Page 3.

■ U.S. GNP rose at an annual rate of 1.7 percent in the second quarter, exceeding most forecasts, but analysts said the rise did not necessarily signal an end to the reces-Page 7.

pensive. But the price is drop-

ping and the idea is catching

■ The idea of hooking up a satellite TV receiver for personal use once was, if not fantastic, at least fantastically ex-

# Close Ties With the Pentagon, Arms Makers Give the Israelis Extra Clout in Washington

By Dan Morgan

Washington Post Service
WASHINGTON — The Israeli
government will spend \$5.5 billion
this year on its military forces. One out of every three dollars will come from the U.S. Treasury. Before the invasion of Lebanon.

there were 567 Israeli combatplanes - 457 of them U.S. aircrast bought with American grants and loans. Another 80 Israeli-assembled Kfir aircraft use a General Electric engine.

Israel buys \$500 million in parts annually from 15,000 U.S. compa-

These statistics show Israel as a major weapons client of the United States, a relationship receiving attention as a result of allegations that U.S.-supplied weaponry was used against Palestinian civilians in Lebanon, possibly in violation of sales agreements.

This in turn raises the question of whether the vast U.S. aid program to Israel has given the United States influence over its Middle

WASHINGTON - The govern-

ment of El Salvador is engaged in a campaign of "systematic political

murder" that disqualifies it from

continuing to receive U.S. military aid, two civil rights groups have as-

The Americas Watch and the American Civil Liberties Union

called on the Rengan administra-tion not to certify El Salvador for

having made progress on human

rights when the twice-yearly find-

ing is due next week. Certification

is required by law for El Salvador to continue receiving U.S. military aid, which came to \$81 million this

State Department officials have

said that the administration will

repeat its January certification that

El Salvador is making a "concerted

and significant effort to comply

with internationally recognized human rights," keeping its military

under control, promoting land re-

form and supporting free elections.

272-Page Report

A spokesman for Americas Watch said, "We believe that none

of these four conditions have been

In a 272-page report detailing their findings of conditions in El

Salvador, the groups charged that

government security forces com-

mitted 2,829 political murders in

the first half of this year, a number

it said "almost certainly grossly

complied with.'

Rights Groups in U.S.

Assail Salvador Regime

over Israel," a former Pentagon of-ficial said last week. "It's that we have chosen not to exercise that control."
Officials admit privately that

U.S. unwillingness to clamp down

on Israel is traceable to politics, strategy and a web of interlocking industrial, economic and military Israel's budget of \$20 billion is equal to the nation's gross national product. That is only possible be-cause of U.S. aid, which includes

\$785 million in economic assistance in addition to \$1.8 billion in military grants and loans.

If the U.S. assistance were to be divided equally among the four million Israelis, each would get

about \$600 a year. With the exception of some French aircraft and British tanks. almost all of the equipment used by the Israeli armed forces has been obtained under the U.S. gov-

understates the extent of political

government uses its military "to terrorize the civilian population"

to stop Salvadorans from support-

ing guerrilla forces. It also has sty-

mied land reform and, in the March elections, effectively ex-cluded the opposition which rea-

sonably feared that its candidates

would be murdered if they cam-

Refusing the Evidence

In a separate report, the Law-yers Committee for International

Human Rights warned that five National Guardsmen arrested for

killing four American churchwom-

en in December, 1980, "may never be tried and punished." The report criticized both the U.S. and Salva-

doran governments for refusing to

explore evidence that higher mili-

tary officials may have taken part

The House of Representatives

last week passed a resolution re-

quiring President Reagan to certify

that the Salvadoran government was making "good faith efforts" on that case. The Senate is expect-

ed to consider an identical mea-

called the administration's first

certification a "sham," and offi-cials conceded that their report

probably would not prevent next

The ACLU earlier this month

in the murders.

sure this week.

week's certification.

paigned," the report said.

The report also charged that the

East client, or whether it is the other way around.

"It isn't that we have no control cours lessed "15 foreign military sales program, from which Israel has received \$15 billion of the \$28 billion of the \$28 billion of the \$28 billion of the \$28 billion distributed model and the same and t

Israeli is one of only five countries that have been permitted to spend U.S. money in countries other than the United States. Israel and Egypt are the only two countries allowed to order U.S. equipment through the military aid program before Congress has author-

The U.S. government also gives Israel unusual privileges, ranging from the right to bid for U.S. defense contracts to the right to own the most modern U.S. weapons and military electronics.

Tediran, a U.S.-Israeli company based in Israel, recently beat out a Dallas company, E Systems, for a S40-million contract to supply so-phisticated radio equipment for the U.S. Army's tanks and other vehicles. Pratt and Whitney is helping Israel develop an engine for an advanced supersonic fighter

# **Poland Eases Martial Law**

(Continued from Page 1)

laxation of martial law restrictions. In addition to the release of internees — including all women still interned — the government restored overseas telephone and telegraph links. Foreign travel restrictions will be eased so that individ-uals can go abroad to visit close relatives, the government said.

Mr. Rakowski, in a separate speech, presented an interim report on the future of trade unions. He said two points are clear: Regional boards, a reference to Solidarity's organizational structure, should be recognized as a "closed chapter in the history of trade unions," and "trade unions in Poland must respect their statute and the constitutional principles of the

#### Suspended Until 1985

He said the right to strike must be clearly circumscribed and added that the government "thinks it ought to be suspended until at

Among options Mr. Rakowski outlined are for Solidarity to reemerge under a new statute, post-ponement of all trade union activity until 1985, and formation of a

totally new union organization. Late last month, underground union leaders called for a suspension of all protest actions to help create a favorable climate for a papal visit next month and to encourage the authorities to respond with some meaningful concessions.

a shipment of cluster bombs while the legitimacy of their use by Israeli forces in Lebanon is reviewed. Pentagon and Israeli officials reported no interruption in the flow U.S. spare parts,

We are conducting business as usual, following national policy."

said a Pentagon official.

A formal U.S. letter offering to provide Israel with an additional 11 F-15 fighter-bombers is being processed routinely, he said. A total of \$1.5 billion in planes, selfpropelled howitzers and armored personnel carriers is still in the peline.

Intimate cooperation between the armed forces and arms industries of the two countries makes the prospect of U.S. retaliation against Israel extremely unpopular with powerful elements in the U.S. military and the U.S. weapons industry. The Pentagon receives detailed information from Israel on the performance of U.S. weapons, some of which the United States has never used in combat. U.S. sources said last week that

the Hawkeye E-2C electronic reconnaissance plane, obtained by Israel from the U.S. Navy, received a combat test pinpointing distant aircraft targets in Syria in the early stages of the fighting in Lebanon. Israel's raid on Iraq's nuclear reactor last year employed F-15s and F-16s in military strikes for the first time.

When Israel was offered the F-15 in the late 1970s, fuel tanks fitted to the outside of the aircraft to increase the range by more than 550 miles had not been not developed. The U.S. Air Force did not have funds to pay for the research and development. The solution was for Israel to pay McDonnell Douglas to develop the fuel tanks, using U.S. military aid funds.

Israel subsequently produced the fuel tanks, and the U.S. Air Force has now ordered the tanks for its own and Saudi Arabia's F-

#### Indonesia Will Try 4 For 1981 Ship Disaster

United Press International JAKARTA — Two officials and two brokers will stand trial on corruption charges stemming from the deaths of 666 persons in Indonesia's worst sea disaster, Attor-ney General Ismail Saleh said

The Tampomas-2, flagship of government's shipping company, caught fire and sank in the Java Sea in 1981, killing at least 666 and possibly as many as a thousand because many passengers were not



IRAQI PRISONERS — Overshadowed by a portrait of Iran's revolutionary leader, Ayatollah Ruhollah Khomeini,

Iraqi prisoners of war were displayed for curious members of the public on Tehran's main prayer ground. Story, Page 1,

# In India, Smugglers' Row is a Major Market

By Stuart Auerbach

Washington Past Service
BOMBAY — Boxes of imported goods supposedly unavailable in India's heavily protectionist economy line the shelves of rough wooden stalls set up on the sidewalks of one of Bombay's busiest thorough-

French perfumes, American safety razors, German kitchen appliances and Japanese watches, cameras, radios and tape recorders are openly for sale even though the government prohibits their import for commercial purposes and imposes duties as high as 320 percent to discourage Indians from bring-ing them in for personal use.

The stalls along Dr. Dababha Navraji Road are known as Smug-

glers Row.

All the foreign-made merchandise is likely to have been smuggled into the country on dhows, motorized versions of the sailing vessels that have plied the Arabian Sea for centuries.

The goods, many of which bear labels with Arabic script, probably came from traditional smuggling ports such as Dubai and were

To Deny Killings

# Corona, in Retrial, Takes the Stand

New York Times Service expected move, Juan V. Corona took the stand Tuesday in his own defense for the first time to deny that he murdered 25 itinerant farm workers in 1971.

Asked by Terence Hallinan, a defense lawyer, if he understood that he was charged with killing "25 unfortunate men," Mr. Corona answered, "Yes."

Mr. Hallinan then asked, "Did you have anything to do with the killing of those men?" Mr. Corona leaned forward into the microphone and said, "No."

The direct examination lasted only a few minutes, but the crossexamination by the prosecutor, Ronald Fahey, is expected to last

days.

Mr. Corona did not testify at his first trial in 1972 as no defense case was presented. Midway through that trial, Judge Richard E. Patton said: "At this point is appears the investigation was inept, the preparation inefficient and the prosecution inadequate." He also instituted contempt proceedings against Mr. Corona's de-

Mr. Corona was convicted in January, 1973, but the conviction was overturned by the California State Court of Appeal in 1978 on the basis of incompetent defense and a new trial was ordered. The retrial began Feb. 22.

#### Correction

fense counsel.

Because of an editing error, a sentence in the second paragraph of an article on Palestinian refugees that appeared July 20 was incorrect. The sentence should have read, "Thousands of Palestinians are refugees once again, as many of them have been repeatedly for the last 30 years."

landed at night at one of the thousands of coves and inlets that dot the rocky coastline near here. Bombay, India's richest city, is

considered to be the smuggling hub of the country. And smuggling is big business in India, which protects its own industries with some of the highest tariffs in the world. The Times of India has estimat-

ed the value of goods smuggled into India at more than \$7 billion a year, half the total of all the country's legal imports and about the same as the total of India's exports

Smuggling of gold has increased this year. Late last month, gold was selling for about \$440 an ounce in India while the world market price fell to around \$300 and the world to around \$300 and \$400 to one third of all an ounce. About one-third of all gold sold in Bombay markets is beheved to be smuggled.

Customs officials estimated that

during the first four months of this year \$36 million worth of gold was smuggled into India. That com-pares with about \$25 million believed to have been smuggled in during the first third of last year. The sharp increase in gold

smuggling, which calls for cash payments in hard currency, has cut sharply into the supply of U.S. dollars in India Banking sources in Bombay and in New Delhi complained that the dollars in circulation have dried up and that there were no bills available for tra-As a result, a black market in

for the first time in three years with the street price running about 30 percent higher than the legal

Black-market dealers sidle up to Westerners on major thorough-fares and in New Delhi to offer 12 to 13 rupees to the dollar. The bank rate is about nine rupees.

#### Hungary Feels The Heat in **Beer Shortage**

The Associated Press
BUDAPEST — A weeklong Central European heat wave has resulted in a beer shortage in Hungary, the country's Com-munist Party newspaper reported Tuesday.

Under a headline that read "It's hot and there isn't enough beer on the market," the paper Nepszabadsag said Hungarians were consuming more beer than ever before. The paper said that in cities across Hungary in the past week cases of beer were bought as quickly as they were

placed on store shelves. According to the article, Hungary's per capita beer con-sumption was only 3.8 liters in 1938 but had risen to 88 liters last year, still well behind the 145 liters consumed by the average West German. A liter is about a quart.

Nepszabadsag said that al hough Hungary produces 800 million liters of beer a year, 160 million liters are imported. The paper said that to meet demand, production for the do-mestic market should be increased by 150 million liters.

Every night is a festival

and the elegance

a pleasure.

The cuisine, the orchestra.

the show are unforgettable. The night is yours.

you can dance the night away in the heart of Paris.

Despite the increase in gold smuggling, the major trade remains in foreign goods, which are prized highly by Indians both for the status they offer and because Indian-made consumer products are not as well made as similar ports. products from Japan or the indus-

Simple American safety razors and blades are valuable because the Indian ones are so shoddy. Similarly, Indian watches or radios are considered vastly inferior to Japanese products that cost less money elsewhere.

trialized West.

There is a strong feeling among Indians that products made here need heavy tariff protection because they could not compete if foreign goods were readily available. Moreover, many products in made in India.

In fact, smuggled goods are of-ten only slightly more expensive on the streets than they would be in Western cities, generally, because they come in from duty-free

A Panasonic radio-tape recorder was offered on the street for \$200 but the dealer quickly began dropping his price.

The Sony Walkman, the latest Indian status symbol, sells for only about \$30 more than the Hong Kong price and top brand video cassette recorders, which would cost almost \$9,000 with all the duty paid can be bought from Bombay smugglers for about half that. The same set sells for about \$1,600 in Dubai or Singapore.

# WORLD BRIEFS

# Morocco Says Polisario Attack Routed

RABAT, Morocco - Moroccan troops have routed Polisario guerrila attackers in the contested Western Sahara, killing at least 60 rebels and capturing large amounts of military supplies, the government said

weonescay.

The battles indicate that Polisario could be launching an offensive before a scheduled Organization of African Unity meeting in Tripolithat is to consider Morocco's demand that it cancel Polisario's member-

ship in the organization. Polisario, which has been fighting since 1976 to drive Moroccan forces. from the former Spanish Sahara, attacked soldiers about 15 miles (24, kilometers) east of a new extension of Morocco's heavily fortified sand

#### **Haughey Party Wins Irish Election**

DUBLIN - Premier Charles J. Haughey's Fianna Fail Party retained a crucial parliamentary seat Wednesday in a by-election in East Galway. Noel Treacy won the seat with 50 percent of the vote, a drop of five. percentage points from the party's showing in February's general cition. The main opposition party, Fine Gael, maintained its 42-percent share, and the Labor Party doubled its share to 5 percent.

The result left Mr. Haughey's minority government with 81 of the 166 seats in parliament. Although he needs the votes of two independents to avoid losing a vote of no confidence, it appears that he will face no serious threat until he submits a national budget in January.

#### Schmidt Aide Assails Reagan Policy

BONN — Egon Bahr, a leading member of Chancellor Heinut Schmidt's Social Democratic Party, has described President Reagan's foreign policy as "uniquely negative" and suggested that a Soviet secret agent in Washington could not have been so successful in damaging US foreign relations.

Mr. Bahr said in the Social Democrat's weekly magazine Vorwacrts

"The Reagan administration's foreign policy balance sheet is, after 18 months, uniquely negative. All along the line, and to all their friends, things look worse than they did at the end of 1980."

He added: "If by some devilish trick Moscow had placed an agent in a top Washington job and given him this task, it is doubtful whether he would have been so successful."

#### Repatriation of Argentine Defended

GENEVA - Britain had no alternative but to repatriate Capt. Alfredo Astiz, allegedly a torturer in Argentina who was captured during the Falklands conflict, an International Commission of Jurists study concluded Wednesday.

The latest issue of the group's review, which is published periodically by the Geneva-based independent body of distinguished international lawyers, also rejected suggestions that British courts could have tried

Even if British judges decided that torture was an international come, it was unlikely that the courts would have jurisdiction to try him without. express powers from Parliament, the review said.

#### Jurists Concerned Over Thai Rights

GENEVA — The International Commission of Jurists; while acknowldging improvement in Thailand's human rights situation, said Wednesday anti-insurgency measures and "the enormous scale of prostitution" remain major causes of concern.

In its latest review, the organization said the government's revised Anti-Communist Activities Act "has brought about a situation of defacto martial law over the entire country." It said the 10,000-bhat (\$440) reward for bodies of dead rebels has increased the "propensity to kill even ordinary villagers."

The study said that 10 percent of all That women between the ages of 15 and 25 were prostitutes, and the total of 700,000 was believed to make up the "largest industry in the country." Many women been enticed by deceptive agents and brothel operators, it said, while others eatered the profession as a way of clearing the debts of their parents.

Compiled From Agency Disposches

From July 5th through August 27th Monday through Friday, the International Herald Tribune will present the news in English at 10 a.m. on radio station RMC.



# This Friday the Trib Sends You Packing For the Weekend

The Trib is shifting its feature-packed Weekend section into Friday's newspaper, beginning this week. Weekend will be as lively as ever—opening up with a brand-new, weekly Travel Section on its fact-filled, two center pages. International Datebook. Where to go. How to get there. Where to dine, drink, disco, do the town.

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Weekend on Friday is part of the IHT's new, still evolving, day-by-day lineur of special feature pages, designed to brighten all your reading week:

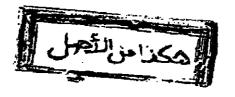
• Insights on Wednesday • Science/Technology every Thursday

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Arts on Saturday

You can find something very special in your Trib all week long.

We not the whole world in some hand



# Jailing of Peace Activists: A Soviet Dilemma

Moscow Welcomes Western Pacifists but Frowns on Homegrown Variety

By Dusko Doder

Maphingon Post Service
MOSCOW Rhetoric has rarely had so strange an accounter with reality as in last week a detention of two Soviet peace activists.

As the Kremin officially welcomed the first group of international peace marchers permitted to hold demonstrations in Soviet cities, the two activists were given 15 days in jail to keep

the day men, held on a charge of hooligan-ism, are members of a self-styled Committee for Beace and East-West Understanding. The other mine members of the recently formed commission were placed under police surveilismeson ordered to be out of town by Wednesday street the 300 international marchers. mostly Scandinavian women, were due to ar-

On the surface, it may seem to be simply another case of Soviet hypocrisy in encouraging and war activism in the West while suppressing it at home. But there is a bit more to it than that.

**Basic Ambiguity** 

Apart from the characteristic Soviet aver-sion to anything spontaneous, the incongruous situation reflects an ambiguity toward peace and was Even the Russian word for "peace" - injects ambiguity, for it is the same

as the word for "the world." Thus, slogans pro-claiming the struggle for mir can yield tricky double meanings.

Still, it is one firm factor of Soviet life that the people share a genuine fear of another war. The ravages of World War II are so deeply ingrained in the collective memory as to almost preclude popular warlike sentiments. Peace, as one Soviet analyst put it privately.

#### **NEWS ANALYSIS**

not only is the mainstay of Kremlin propaganda but also reflects the deepest aspiration of the Soviet people.

At the same time, the Russians turn quickly hostile in the face of foreign threats. This is an equally genuine impulse and is cultivated by the authorities to maintain the nation's war readiness. An average person is given to boast-ing that if attacked the country can land a "crushing blow" on the United States or anyone else threatening it.

The appearance last year of peace move-ments in the West and the vast publicity that the Soviet media continue to give to anti-war demonstrations around the world led predictably to similar moves here. The formation of an unofficial peace committee only revealed the curious inconsistency of Moscow's posi-

Russia, U.K. Criticize U.S. Delay on Test Ban

On the one hand, the Kremlin has welcomed and encouraged Western pacifism as a way to pressure Western governments to curtail military spending and particularly to block the deployment of new American nuclear missiles in Western Europe.

On the other hand, the authorities have intensified pressures to prevent a younger Soviet generation from dabbling in pacifism.

The official explanation is that the Soviet Union already has a peace movement with more than 80 million members, that the movement is actively promoting peace and that some years ago it managed to collect 180 million signatures for a petition against the arms

The peace march of Nordic women, who paraded through Leningrad with about 100 members of the official Soviet peace committee Monday, was apparently approved to deflect Western criticism that the Russians were afraid to allow Western anti-war activists to hold peace rallies on Soviet soil.

The participants are from Norway, Sweden, Denmark and Finland, and many of them took part in last summer's anti-war march to Paris. There is no doubt that the march is under heavy surveillance by the KGB security police.
The marchers are allowed to carry the following banners: "No to Nuclear Weapons in the World" and "Yes to Disarmament and Peace."



Sergei Petrov and his wife, Virginia Johnson, at his apartment.

# Hunger Striker's Wife Leaves Russia for U.S.

The Assistated Press

MOSCOW — The American wife of Sergei Petrov, a Soviet hunger striker, departed Wednesday for the United States on the 50th day of her husband's fast for an

exit visa. "I think he's doing quite well for someone who hasn't eaten for 50 days. It seems his body is as stubborn as his mind," said Virginia Johnson, 24, before boarding an airliner for a flight to Amsterdam. She was to continue on another flight to New York later Wednes-

Another American woman, Elena Kusmenko of Baltimore, remained in Moscow seeking an exit visa for her husband, Yuri Balovlenkov, The 33-year-old computer programmer has been fasting for more than two weeks to pressure authorities to let him leave. His wife arrived last Saturday with their 2-year-old daughter.

Mrs. Petrov bid farewell to her

husband, a 29-year-old photogra-pher, at his Moscow apartment Marilyn Hall Patel, announced within minutes of the opening of the court session that she had acand was driven to the airport by a U.S. diplomat. cepted a plea agreement between

She appeared calm following the emotional reunion with her husband, and replied "I don't know" the federal government and Missui & Co. (USA). The government when asked by a reporter how she

Mrs. Petrov arrived Sunday and said she decided to leave before her 10-day visitor's visa expired after convincing herself that her husband was determined to continue with his hunger strike.

He has lost about 52 pounds (23.5 kilograms) since starting the fast last month and now weighs only 123 pounds. He has described himself as too weak to leave his apartment.

Soviet authorities have refused him an exit visa because he once was assigned to a scientific facility, but Mr. Petrov said he was never exposed to confidential information on the job.

sui's public relations office, said in Tokyo on Wednesday.

Admits Dumping Steel

SAN FRANCISCO — Mitsui & Co. of Japan pleaded guilty Wednesday to illegally dumping steel products on the U.S. market and agreed to pay \$11 million in a stell products and steel products on the U.S. market and agreed to pay \$11 million in a stell products and \$210,000 in "Mitsui (USA) has a strict policy of full compliance by its employees with the laws of the United States," said Juwichi Amano, the subsidiary's president and gen-eral manager in San Francisco. civil penalties and \$210,000 in

Mitsui and three employees were charged Tuesday in a crimi-An official of Japan's ministry of international trade and indusnal indictment with conspiring to conceal sales of steel at below fairtry, asking not to be identified, said the Mitsui case "does not afmarket value to avoid provisions fect trade relations between Japan of the Anti-Dumping Act of 1921 and the "trigger mechanism," which is designed to keep U.S.

and the United States." In an unrelated case, the Federal Bureau of Investigation accused Hitachi Ltd. and Mitsubishi Electric Corp. on June 22 of trying to steal trade secrets from the leading U.S. computer company. Interna-

tional Business Machines Corp. Federal officials deny that a crackdown is under way against Japanese companies, but Mr. Russoniello said the indictments represent a signal to people doing busi-ness with the United States that "these are the rules, and failure to comply with the rules and American laws may result in criminal

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both coasts. We cooperated with U.S. investigators for one and one-half years to try to solve misunderstandings but failed to narrow differences of view with American attorneys," Kaname Mizuno, director of Mit-

#### Russians Orbit 8 Satellites The Associated Press

companies from being unfairly un-dersold by foreign competitors.

The indictment accused Mitsui

& Co. (USA), a wholly-owned sub-

sidiary of Mitsui & Co., of using

"kickbacks, credits and secret re-

bates totaling \$1.3 million to dis-

guise the true price of the steel," a U.S. attorney, Joseph Russoniello,

said at a news conference.

Mitsui and three employees

were charged with conspiracy; 20

other counts of making false state-

ments in documents to U.S. Cus-

toms were also filed. Each count carries a top penalty of five years in prison and a \$10,000 fine.

A U.S. District Court judge,

agreed to halt its investigation of

the parent company.

The indictment followed a one-

and-one-half-year investigation that began with U.S. customs

agents raiding company offices on

MOSCOW - A Soviet rocket carried eight satellites into orbit Wednesday, Tass reported.



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#### "disappointed" by Mr. Reagan's decision. He expressed concern that Tuesday's announcement would jeopardize "two valuable acnot be resumed. In that statement, in Geneva on

WASHINGTON President Reagan's decision to delay talks with the Soviet Union and Britain on a comprehensive han on nuclear testing has brought criticism from the Senate a rebuke from the Soviet Union and a statement of displeasure from Britain. Reagan administration officials

said Tuesday that the president had decided to set aside efforts to negotiate a comprehensive ban on nuclear testing until verification measures of existing testing treaties could be strengthened. Two senior officials of the administration said that President Reagan still supported the goal of negonating a commentary with a commentary of the senior still a commentary of the senior still a commentary of the senior o mg a comprehensive ban with adequate verification.

Tass accused Mr. Reagan on Wednesday of trying to sabotage falks and dismissed Reagan administration contentions that Moscow may have violated existing treaties. It said Washington was opposed to a ban because it was incompatible with NATO doct-

**Decision Expected** 

"It goes without saying that the problem of verification has nothing to do with it at all. It is no more than a pretext for sabotaging the talks," Tass said.

A spokesman for the British Foreign Office said Britain had expected the decision since Febru-. ary; when it interpreted a state- of South Dakota and chairman of two treaties while pressing the So-

By Raymond Bonner

GUATEMALA CITY — Some

politicians and diplomats here are offering a version of the events-surrounding Gen. José Efrain Rios

Montt's rise to power that is at odds with the one given by the

According to one Guaternalan political source, Gen. Rios Monti

participated in the planning of the March 23 coup, contrary to wide-spread reports that he did not learn about it until army units had

The source said the two army of-

ficers who were members of the

junta that was established after the

coup did not resign voluntarily last month, as Gen. Rios Monti said, but were forced out by the general

and officers loyal to him.
One of the ousted junta members initially resisted and threat-

ened to use a grenade in the presence of Gen. Rios Montt and several officers, the Guatemalans said Although the junta member

changed his mind, the sources said,

he did not sign the resignation papers. Later, he and the other dis-

missed junta member were offered

\$50,000 to remain quiet, according to the sources.
The new version of the March

Bronssard also raped Miss Conrad

and took about a dozen students to see the body, which he had left

in a ravine near Milpitas, Calif.

Those students failed to report the

The guilty plea came despite a count rating that a defense of di-

minished mental capacity, which is prohibited by state legislation that took effect Jan. 1, could be used in

this case because the murder oc-

curred before that, on Nov. 3,

1981. There was no immediate ex-

According to testimony in a competency trial, Mr. Broussard told a psychiabist that he grabbed

Miss Courad by the threat to stop for from making jokes about his dead mother and was terrified when he realized he had killed her.

planation for the plea.

general and his backers

surrounded the palace.

ment by Engene V. Rostow, head of the Arms Control and Disarmament Agency, to mean that the three-way negotiations — suspend-ed since November, 1980 — would

Feb. 9, Mr. Rostow said that "un-der present circumstances" the United States did not believe a ban on all nuclear weapons tests "could help reduce the threat of nuclear weapons or to maintain the stability of the nuclear bal-

- The Foreign Office said it did "not necessarily agree" with the decision and said it was still committed to developing a ban of some kind.

The president's decision was

"strongly condemned" by Sen. Edward M. Kennedy, Democrat of Massachusetts, the main Senate sponsor of a proposal urging a freeze in Soviet and U.S. atomic arsenals. Sen. Kennedy said he would introduce a resolution in the Senate calling for immediate resumption of negotiations with Britain and the Soviet Union. Sen. Claiborne Pell, Democrat of Rhode Island, and Sen. Charles McC. Mathias, Republican of Maryland, both members of the Foreign Relations Committee, intend to co-sponsor the resolution, a spokesman for Sen. Kennedy

Sen. Larry Pressler, Republican

Sources Say Rios Montt Took Part

23 coup and subsequent develop-ments was provided primarily by a

Guatemalan government official close to the events and opposed to

Gen. Rios Montt. The version was

confirmed by some political leaders and a foreign diplomat.

According to official accounts, the small group of junior army and air force officers who deposed the government of Gen. Fernando

Romeo Lucas García on March 23

seized a radio station and made a

public call for Gen. Rios Montt to

join them. The general was reported to have been in church at the

time. As a result of statements by

church elders and by the general, it

has been widely accepted that this was the first knowledge that Gen.

But the Guatemalan official and

a political leader said that on March 13, 10 days before the coup. Gen. Rios Montt attended a meet-

ing with the young officers and senior political leaders of the ex-

treme right-wing National Liber-

azion Movement. The purpose of the meeting, according to the offi-cial, was "to finish organizing the logistics" of the coup. On the day of the coup, three

Rios Montt had of the coup.

In Planning of Guatemalan Coup

said in an interview that he was cation procedures.

cords" that he said already contain "unprecedented" verification pro-Sen. Charles H. Percy, Republi-

can of Illinois and chairman of the Senate Foreign Relations Committee, said he was "pleased" that Mr. Reagan had decided not to reject the treaties entirely, but urged him to begin discussions "immediateon the verification procedures for the two treaties. The Threshold Test Ban Treaty,

signed by the Soviet Union and the

United States in 1974, limits all nuclear tests underground — the only kind permitted - to 150 kilotons. The atomic bomb dropped on Hiroshima had an explosive force of about 20 kilotons. The Peaceful Nuclear Explosions Trea-ty, signed in 1976, applied the same limits on explosions for ostensibly "peaceful purposes," such as mining. Although neither treaty has been ratified by the U.S. Senate, the United States and the Soviet Union both claim to abide by

The officials who briefed reporters on Monday's decision said that the administration would continue to observe the limitations in those

viet Union to accept stiffer verifi-

Referring to the Threshold Test Ban Treaty, one of the officials stated, "On several occasions seismic signals from the Soviet Union have been of sufficient magnitude to call into question Soviet compli-ance with the threshold of 150 ki-

Neither official would specify what improved verfication measures the administration was con-Negotiators for Britain, the So-

viet Union and the United States had reached agreement by 1980 on two key verification points in the comprehensive treaty: Up to 10 unmanned seismic stations would be located on the territory of each country, and an undecided number of on-site inspections of suspicious events would be permitted.



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#### successive juntas were formed, with Gen. Rios Montt being the only person included in all of them. The final junta, of which he was president, also included Gen. Horacio Maldonado Shaad and Col. Francisco Luís Gordillo. U.S. Youth Pleads "From the beginning." Gen. Maldonado and Col. Gordillo knew that they were not going to survive as junta members, "but not the hour and day" they would fall, the Guatemalan official said. Guilty to a Killing He 'Bragged' Of The Associated Press -SAN JOSE, Calif. - A teen-ager The end came June 9. What the

who the authorities said had official called a working breakfast had been scheduled for 7 a.m. But, bragged to friends about killing his gulfriend has pleaded guilty to a he said, it was not a working charge of first-degree murder and breakfast at all, but a "goodbye faces life imprisonment without ceremony," with heavily armed soldiers present to enforce the will Authory J. Broussard, 17, of Gen. Rios Montt on his junta pleaded guilty Tuesday to strangling Marcy Conrad, 14. The prosecutor, Alan Nudelman, said Mr.

Gen. Rios Montt has said the two junta members voluntarily signed resignation papers. The official said, however, that there was nothing voluntary about the resignations and that the officers had refused to sign any documents.

#### Jury in U.S. Says Boss Harassed Male Worker The Associated Press

MADISON, Wis. — A jury has awarded \$196,500 to a state employee in a sexual harassment suit against his female former supervi-

The jury decided that David Huebschen, 33, had been demoted because he resisted the sexual demands of Jacqueline Rader, 37. His attorney had argued that the stress of such harassment caused Mr. Broussard, who was tried as an adult in the mirder case, also his client to be "withdrawn, de-pressed, paranoid," and "unable to faced charges of rape, assault with

According to the Guatemalan official, a senior military officer in the government called on Col. Gordillo on June 20 at his home, where he was under house arrest. He offered the colonel \$50,000. Two days later, a civilian Cabinet minister came to ask if the colonel wanted the payment in dollars or in local currency.

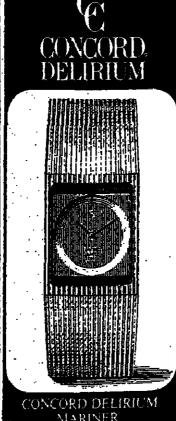
According to a diplomatic source, the same offer was made to Gen. Maldonado.

The Guatemalan official said Col. Gordillo had not accepted the money, and that he did not know what Gen. Maldonado had done.

There have been no indications that the United States participated in the planning or execution of the coup. But it has acted decisively to prevent at least one powerful fac-tion from deposing Gen. Rios Montt, according to a diplomat.

It is widely accepted that Gen. Rios Montt won the 1974 presidential election, but that the victory was taken away from him by his military peers in the National Liberation Movement. The diplomat said that the U.S.

ambassador, Frederic L. Chapin, acting on written instructions from the State Department, sternly warned the two top leaders of the National Liberation Movement that U.S. aid would be cut off if they participated in a coup that de-posed Gen. Rios Montt.



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# It Is the PLO's Move

From THE NEW YORK TIMES

There are serious people who say the PLO the United Nations resolutions that envision deserves in defeat what it failed to get in two decades of political and terrorist activity:
American "recognition" and a guarantee of
its own independent state. These people include humanitarians who are eager to avoid more loss of life in Beirut; Americans eager to punish Israel for its free use of American arms; and Arabs embarrassed at their own inability to help the PLO.

For whatever motive, they all would reward the biggest hijacking in history — half of Beirut is the hostage — in a coin they do not possess: the Israeli-held West Bank.

Negligent though he has been in Middle East diplomacy, President Reagan is wisely having none of this.

The United States is indeed uniquely

placed to pressure Israel for major concessions to Palestinian nationalism. But even in the bunkers of Beirut it should be clear that such pressure will not work in Israel or serve American interests until the Arab beneficiaries of the pressure are ready to coexist with Israel and to promote pro-Western stability.

The PLO gambled on terrorism, radicalism, Soviet arms and influence, and it has lost. It lost not only to Israeli and American weapons but to self-preservationist diplomacy by Egypt. Saudi Arabia. Jordan. even Syria. Washington would be foolish, and in no way helping its conservative Arab friends, to honor the PLO's chits at this late stage.

The winning tickets read "242" and "338."

coexistence and negotiation with Israel. They are redeemable even by Palestinians offiliated with the PLO, but only those who accept Israel and, in Secretary Shultz's phrase, "get off this guerrilla kick."

Those Palestinians deserve the most vigor ous American support in resisting Israel's annexation of the West Bank and realizing Camp David's promise of full autonomy there. They will surely have it now that the Reagan administration understands how much its passivity in the autonomy debate has contributed to the Lebanon bloodshed.

An evolving homeland in the West Bank may not have much appeal to Yasser Arafat and his Beirut remnant. It certainly does not satisfy their "conditions" for admitting de-feat in Lebanon. The civilians they are using for cover are Moslem innocents; the PLO's final bet is on Israel's humanity and the sensibilities of civilized nations.

They deserve only one answer: Respect your enemy's restraint and willingness to negotiate even indirectly. As the Saudi foreign minister correctly concluded in leaving the White House on Tuesday, the only things negotiable in Beirut are the arrangements for Arafat's departure and a corresponding Israeli pullback. Only then will the Arab League be free to try forming a new Beirut government, and only its strength will determine how quickly Israel can be pressed to

#### Thatcher and the IRA

From THE NEW YORK TIMES

The male Argentine junta underestimated the political grit of Margaret Thatcher. Ditto Britain's railway men. who have now aban-doned an impulsive strike after she warned they would be fired. Now comes the Irish Republican Army, which callously claims responsibility for the bloody bomb attacks in London on Tuesday. To defeat this gang would assure the prime minister a worthy

place in history. Can she pull it of??

A year ago Mrs. Thatcher humbled the IRA by facing down the hunger strike of imprisoned guerrillas demanding political sta-tus. The sequel was important. She named one of her leading critics, James Prior, to the sensitive post of secretary of state for Northern Ireland. The activist Prior has come up with a new scheme for electing a 78-member assembly in the embattled province.

His "April proposals" are meant to bring Catholics and Protestants together in an elected provincial government. For nearly a

decade no one has been able to agree on how Northern Ireland should be governed. Prior's plan is faulted by the Protestants for yielding too much to the Catholic minority, whose leaders make precisely the opposite objection. In Dublin, Premier Charles Haughey is also unhappy. If any of the above were to say they liked the scheme, that would doom it.

History argues against optimism, as American viewers of a fine public television series on Ireland have just been reminded. But Secretary Prior is by nature a risk-taker, and he Mrs. Thatcher's backing. And the moment may be right for a fresh try.

After a full in killings, the IRA obviously wants to show that its voice has to be heard. But it is a voice of savagery, calculated to catch headlines now that the Falklands fighting is over. Mrs. Thatcher's task is twofold: to hunt down the perpetrators, and to drain the grievances that cause law-abiding people to protect IRA murderers.

#### Other Editorial Opinion

#### After the London Bombs

The horrific carnage shames us all. It brings shame not only on the twisted evil minds which planned [Tuesday's] outrage and on those subhuman murderers who carried out the plan, it brings shame also on every Irish man and Irish woman.

- The Irish Press (Dublin).

Once more we were all confronted by the maniacal face of terrorism, carried out, we are told, with the aim of securing the reunification of this country. This morning an opinion poil here would prove most emphatically such barbaric acts against human beings.

— The Irish Independent (Dublin).

No deaths in Britian through bombing advance the Irish cause one bit. Dead British soldiers in a bandstand, dead passers-by like murdered milkmen and lorry drivers in the border counties of Northern Ireland represent a perversion of Ireland's desire for unity and a new deal with Britain. The vision of the people of Ireland of future relations with the people of Britain is not covered with blood. - The Irish Times (Dublin).

#### The IRA and America

[Nine] people died in London and a score were injured in the delivery of a message which was probably not directed principally at the British government or people at all. [Northern Ireland Secretary] James Prior is in Washington talking to the United States gov-ernment, and the bloodshed is an affirmation to the IRA's American supporters that the cause of violent republicanism is not dead yet. The United States is still a vital source of IRA funds, as it has been for a century — and the source of as much as half its weaponry, according to intelligence estimates. The constituency there needs to be nourished, by this and other means.

— The Times (London).

Mingled with the anger must be sympathy for the suffering of innocent bystanders, believed to have included American tourists. But perhaps from their suffering some good

might come. Some Americans will go home and tell their tales of indiscriminate bombing.
Will the IRA really be so successful after this at blinding gullible Americans with Celtic mists and rattling collection boxes?

— The Daily Mail (London).

#### No to Those Sanctions

Historical precedent does not support the idea that economic leverage alone can prevent aggression or fundamentally change the conduct of errant nations. A former British foreign service officer, Robin Renwick, makes [the point] in a book just published by r for international Attairs at flar vard. The findings are relevant to the brewing controversy in the Reagan administration as to whether economic warfare is a desirable strategy against the Soviet Union.

There is al notion, popular in some reaches of the Pentagon, that the Soviet Union's capacity for mischief could be severely curtailed through a determined application of economic sanctions. President Reagan, in some of his public utterances, has seemed to share that view. [But] as Renwick observed in his historical survey of sanctions, trade and credit restraints did not prevent Mussolini's armies from conquering Ethiopia in the 1930s; nor has the U.S. embargo on trade with Cuba dissuaded Fidel Castro from sending Cuban troops to Africa.

There is no reason for America or its allies to allow the export of technology that can be of direct help to the Soviet military effort, nor should free nations be in the business of helping the Soviets with low-interest loans. But the angry European reaction to Reagan's attempt to stop the Siberia-to-Europe pipeline has demonstrated that there is no earthly chance that the allies would go along with a sweeping set of sanctions aimed at forcing the Soviet Union to reduce military spending.

Without such cooperation, go-it-alone American embargoes simply will not work. Even if that were not the case, the American people themselves would not support policies that, by their nature, would create a confrontationist atmosphere of an intensity that would be inappropriate in the nuclear era. - The Los Angeles Times.

#### JULY 22: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Luggage Is Unwelcome

NEW YORK - Since the Windsor Trust Co. of America suffered financial losses through the simultaneous disappearance of an em-ployee and a suitcase on the closing day of the week, suitcases are as welcome in the downtown financial houses as a report of a typhus fever outbreak in July. In the money district bank clerks, cashiers and paying tellers have been jokingly commenting on the situation. "Formerly when we brought our satchels to the office on Saturday morning. before leaving in the afternoon to spend Sunday in the country, nobody thought anything about it. But now it is clear that certain suitcases have altered circumstances," remarked a clerk of a leading trust company.

#### 1932: Jobs for 2.37 Million

WASHINGTON — The first relief measure in the history of the United States to aid unemployment and distress, by placing \$2.1 billion at the disposal of the government for loans for construction work that will provide work for 2.37 million men for one year, has been signed by President Hoover. The measure provides: 1) \$300 million for direct aid to states in emergencies, to be distributed at the president's discretion; 2) a bond issue of \$322 million for a federal public works program: 3) increase in capitalization of the Reconstruction Finance Corp. by \$1.5 bil-lion; 4) authorization of the RFC to make loans, for self-liquidating construction projects, to states and industries.

10HN HAY WHITNEY (1904-1982), Chairman KATHARINE GRAHAM and ARTHUR OCHS SULZBERGER, Co-Chairmen

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International Herald Tribune, 181 Avenue Charles de Gaulle, 92200 Nemily-sur-Seine, France Telephone 747-1265, Telex 612718 (Herald), Cables Herald Paris.

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General Manager. Asia: Alain Lecou. 24-34 Hennessy Rd. Hong Kong. Tel. 5-28 56 18 Telex 61170

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# Rusk on Responsibility

By Dean Rusk

WASHINGTON — A new secretary of state soon discovers the sheer mass of communications with other governments. On any working day approximately 3,000 cables, all bearing the signature of the secretary, will go out of the Department of State to U.S. posts and to governments all over the world.

Of these, the secretary may see eight to 10 and the president may see one or two before they are dispatched. The remainder are taken care of by the authority to proceed with the day's work. It is the authority to proceed with the day's work. It is the secretary's job to see that these professional officers understand the policies that a president and a secretary wish them to follow.

Of the more than 2 million cables that went out under my name during the 1960s. I can recall only four or five that had to be called back and rewritten because the authors had missed the point of policy that the president or I expected them to follow — an extraordinary professional performance by colleagues.

#### White House Staff

The secretary of state is the one who holds press conferences at home and abroad; it is he and America's ambassadors, to whom he fur-nishes guidance, who are the principal U.S. spokesmen with other governments; he must see that the interests and attitudes of other depart-ments and agencies of the government are taken fully into account; he is responsible for seeing to
it that U.S. delegations to international conferences (about a dozen on every working day somewhere in the world) are assembled and provided with credentials and instructions with regard to U.S. policy. More than any other person in gov-ernment, the secretary of state shares the awesome constitutional and public responsibilities of the president in foreign affairs and must be rec-ognized at home and abroad as one who has the full confidence of the president.

It needs to be said very simply that members of the White House staff do not and cannot share these responsibilities. Their job is to assist the president, not to substitute for him.

It is one thing for a member of the White House staff to transmit to a Cabinet officer an instruction from the president; it is quite another for such a staff officer to try to issue his own directives to major departments of government.

The writer was secretary of state from 1961 to 1969. This is the second of two articles. If the president himself is not speaking, it is the secretary of state who, by statute, long-established custom and common sense, must speak for the United States in matters of foreign policy. If a president tries to inject White House staff into

the chain of command with respect to the Cabi-net departments, he is asking for a lot of trouble. At the risk of seeming self-serving, I would suggest that one can search the news media of the 1960s and find a minimum of gossip about fends among those at the top levels of government. Sec-retary of Defense Robert McNamara, National Security Adviser McGeorge Bundy (later Walt Rostow) and I spent a great deal of time talking things over with each other, in discussions that were infused with the thought that we were all trying to serve the same president.

We were fully aware of the fact that honest many appears are have honest differences of

men and women can have honest differences of view about complex problems in a tumultuous and contradictory world. We did not translate those differences of view into consideration of personal prestige, competition or the protection of one's own pad, or consideration of personal ambition. Guerrilla war among those at the top

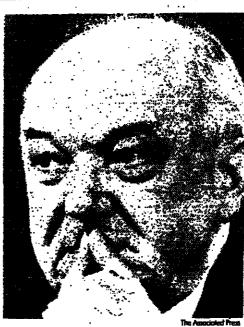
ambition. Guerrilla war among those at the top of the government is simply too dangerous in the kind of world in which we live.

If a president finds anyone in his administration who is going around town plunging knives into the backs of his colleagues, that person should be fired immediately. Such activity becomes readily known because, among other things, reporters do not protect their sources nearly as much as they pretend. nearly as much as they pretend.

#### The Pipeline

Any new administration must make the some-times difficult transition from campaign rhetoric to the responsibilities of office in the real world. Political campaigns and party platforms exist in the world of opinion; their primary purpose is to solicit votes. The generalities of campaign orato-ry and party platforms simply do not deal with real problems in the real world, which have dozens and dozens of secondary and tertiary ques-tions surrounding them. Those who carry public responsibilities live in the world of decisions — a vastly different world from the world of opinion.

A case in point has to do with the administration's attitude toward the contemplated gas pipe-line from the Soviet Union to Western Europe.



The point is not really whether such a pipeline is right; opinions may differ on that, and it is entirely appropriate for the administration to make its concerns known to America's friends in Eu-rope. However, no one has appointed the presi-dent and the secretary of defense to be the den

mothers of Western Europe.

European leaders are grown men and women

many with far more experience in world affairs than America's leaders — who are entirely capable of assessing their national interests and the requirements of their national security. It is destructive to North Atlantic relationships for the United States to try to reach out and impose its own law and policy upon American-owned subsidiaries that are organized under the laws and policies of their host countries in Europe. Friends in Europe are allies, not satellites.

It was encouraging to hear Shultz underline the importance of continuity in foreign policy and his determination to seek a broad-based, bi-partisan approach toward the rest of the world. America is too large, powerful, rich and influen-tial to dart about like a hummingbird to sniff at each alluring blossom; it must be reasonably pre-dictable for friends and adversaries alike, or it can inject disarray into an already troubled planet. Unanimity is not possible, but a broad consensus is there for those who are willing to participate in building it.

# An Economic Foreign Policy Requires Allies

WASHINGTON — Foreign poli-cy in the traditional sense is By Robert J. Samuelson

increasingly irrelevant in describing nations' relations with each other. The rights and wrongs of the debate, of which there are plenty on both sides, are less important than the sort of world they reflect. The traditional ideological and strategic orientation of foreign policy has given way be-fore economic interests.

Even now, farmers in the United States desperately want to increase trade with the Soviets. International banks, multinational companies and global traders now effectively create their own foreign policies.

Poland is a case in point. During the latter half of the 1970s, Western banks busily conducted an independ-ent foreign policy with Poland by ex-

WASHINGTON — It is not as explosive as the Middle East,

but it is a situation potentially just as

lations between America and Europe

have sunk to a low and bitter point.

the unhappy fallout of President Reagan's decision to declare econom-

ic warfare against the Soviet Union.

With his pipeline decision, the

president has invited a trade war with

Europe. Secretary of State George Shultz will have to plunge very quick-

There is a growing feeling in Europe that the Reagan administration

not only does not understand Eu-

rope's need to maintain friendly com-

mercial relationships with the Rus-

sians, but does not much care about

Europe's perception of the problem.

Europe believes that it needs to live in peace with the Soviet Union and

that one way of reducing the risks of war is to expand trade. Washington

seems to be taking the position that

Moscow should be isolated.

Influential elements of the Ameri-

can business community who normal-

ly see eye to eye with the administra-

tion say flatly that Reagan is mistak-

en in the belief that he can tighten an

ly into this bot issue.

erous for the United Sta

tending billions of dollars worth of loans (\$16 billion at the end of 1981). The credit enabled Poland to pursue an economic liberalization that, in the end, proved misconceived and unworkable. The results: worker unrest

and political repression.

U.S. efforts to cope with these changes have foundered on a basic contradiction. Since World War II America has supported an open trading system divorcing commercial dealings from political considerations. But it has used economic sanctions against its adversaries.

The Census Bureau has obscured the basic issues with a recent press release arguing that the Soviets are vulnerable to sanctions because im-

Inviting a Trade War With Europe

. By Hobart Rowen

economic noose around the Sovie

A very plain letter to Reagan last

week from Richard L. Lesher, president of the Chamber of Commerce of

the United States, pointed out that

the "unilateral" placement of export

controls on the shipment of goods by

a foreign company will only aggra-

vate further our international seputa-

tion for commercial reliability."

What can the British, the West

Germans, the Italians and others who

face the loss of billions in trade with

the Soviet Union because of Reagan's

stand on the pipeline do about it?
They can thumb their nose at the

United States by directing their com-

panies to fulfill contracts with the So-

viet Union. The British seem to be

moving that way to protect \$250 mil-

lion in Soviet business for one com-

azine points out, the United States

exports some \$52 billion worth of

goods to Europe. This provides a fa-

vorable surplus of \$18 billion for

America (about as much as the deficit

Then again, as Business Week mag-

pany licensed by General Electric.

economy with trade sanctions.

ports equal about one-fifth of their national income. Jan Vanous, a Sovi-et specialist for Wharton Econometric Forecasting Associates, rightly characterizes this interpretation as "a flagrant abuse of a serious study."

The Census study concerned a technical issue: How do the Soviets value their trade? Because the Soviets set prices administratively, the real value of trade is a bookkeeper's fiction. With import prices set artificially high, import dependence is apparently high. In fact, the report (but not the press release) also shows that dependence is only 10 percent when world market prices are used.

But these numbers, in any case, are irrelevant. What matters most is im-

with Japan). That \$52-billion total, the magazine says, is "at risk." British Trade Minister Peter Rees

may look the other way at the multi-

lateral trade talks in Geneva this fall.

There the United States will seek sup-

port for a proposal to liberalize re-

strictions on computer and other ser-

vices, and on investments - areas in

which America has a big edge and

wants to enlarge its advantage.
The new Wharton World Econom-

ic Outlook notes that the administra-

tion's actions in both the steel case

and the pipeline deal "have seriously

damaged whatever remained of Euro-

pean respect for the postwar system of multilateral trading relationships ... Europe will now have all the more

One can be sure that the last thing the Reagan White House was think-

ing of when it hit out against the

pipeline was world trade. The focus

of the men around Reagan has been much more parochial. That is one of the complaints of America's Europe-

an friends: that it almost never con-

siders the impact of its actions on the

The Washington Post.

economies of the rest of the world.

reason to go it alone."

port dependence in particular sectors. "Clearly, there's only one sectors, "Clearly, there's only one sector where the Soviets are vulnerable — grain," said Vanous. The Soviets now import roughly one-fourth of their grain needs. But the partial U.S. embargo after the invasion of Afghaniting failed in a core world second. stan failed. In an open world economy, the Soviets simply shifted to other suppliers, notably Argentina.

The present pipeline sanctions re-flect Reagan's frustration with this state of affairs. He wants to prevent the Soviets from getting critical turbine rotor blades for their pumping stations. What infuriates the Europeans is the U.S. assumption of control over their companies. The reac-tion is understandable. Imagine American outrage if Helmut Schmidt ordered U.S.-based firms to stop pro-

ducing German-licensed technology.

Not even administration officials believe Reagan's orders inevitably doom the pipeline. The Soviets could use their own smaller pumps or buy other Western models. Alternatively, the French, West German, British and Italian firms might deby the U.S. and Italian firms might defy the U.S. order. Either choice probably involves a delay of a year or two.

hefall the Unit ed States. There may be instances when economic sanctions or other diplomatic sanctions are needed, but the United States may be destroying the political bases for making them effective. To understand why, recall the Iranian sanctions. It is no secret that the British dis-

liked the order that froze Iranian deposits in the London branches of U.S. banks. The British did not accept its legality and feared that the freeze could hurt London's future as financial center. But they overlooked these objections, and the fact that the sanctions worked at all owes a great deal to their cooperation. America faces inevitable frustra-

tions in a world of fragmented power. But the moral of the Iranian sanctions is that the slim chances of coherent policy depend on the coop-eration of major ailies. That kind of cooperation can be won only by persuasion and good will. The administration seems to have abandoned the former and squandered the latter. National Journal

# Begin Puts U.S. Prop In Danger

By Stanley Karnow

WASHINGTON — Nothing is more vital to Israel's survival than American support. Not just expressions of admiration or sympathy. but solid support that can translate into money and military equipment.

For Israel owes its creation to the United States. And despite its own remarkable achievements, its existence over the past generation would have been impossible without heavy

doses of American assistance.
But there is a growing danger that the rising antipathy in America toward Prime Minister Menachem Begin's belligerence could eventually poison U.S. attitudes toward Israel and thus jeopardize its future.

This trend was visible before Begin's decision to invade Lebanon. Within recent weeks, however, it has been accelerated by newspaper ac-counts and television scenes dramatizing Israeli aggressiveness toward innocent civilians

An important distinction marks show that a majority of Americans believe that the United States must remain committed to Israel. An increasing proportion, though, have become critical of Begin.

A CBS poll last month indicated that twice as many Americans en-

dorsed the "strongest" support for Is-rael as are prepared to acquiesce to Arab demands. But, according to the same study, more Americans rebuked rather than backed Israel for its in-tervention in Lebanon.

The difference was close, and Israel cannot afford a narrow margin. Americans' views can shift rapidly.
Professor William C. Adams of
George Washington University underlined this phenomenon not long ago in the magazine Public Opinion, emphasizing that Americans have ceased to regard the Arabs as a "monolithic foe" and the Israelis as "thoroughly virtuous."

A key turning point, Adams noted, was Egyptian President Anwar Sadat's spectacular voyage to Jerusalem in 1977. Within three years of that, a Harris study concluded. Sadat was more popular in America than the president of the United States.

While Americans' approval of Egypt soared in those years, support

for Israel held firm. However, trust in Begin declined sharply. This suggests that Americans do not identify Israel with its leadership.

Meanwhile, the opinion surveys

show. Americans have refined their perceptions of the Middle East — a contrast from the days when their stereotyped vision was of a region pobetween Israel and the Arab "bloc." Americans now count the moderate Arab nations like Saudia Arabia and Jordan as friends. Another important switch.

cially important at the moment, has been the steadily rising concern among Americans for the Palestini-ans. The PLO and its chairman, Yasser Arafat, may not have won hearts and minds in the United States, but a growing percentage of Americans subscribe to the thesis that the Palestinians deserve a homeland as much as do the Jews.

The most significant trend may be the change that has occurred in the American Jewish community can be called a community, given its splits and controversies. Time was when few American Jews would dare to voice misgivings about Israeli policies. Now dissent is mounting.

It is still limited in its most vocal form to intellectuals, such as novelists Saul Bellow and E.L. Doctorow, but elite attitudes tend to trickle down. The dissidence is probably more widespread among U.S. Jews than Begin would like to admit.

And it is not only confined to the United States. In Paris the other day, two retired presidents of the World Jewish Congress, Nahum Goldmann and Philip Klutznik, joined with for-mer French Premier Pierre Mendès-France to condemn Begin.

These realities are difficult to swallow for anyone dedicated to Israel's security — as all Americans, Jewish or not, should be. The evidence is overwhelmingly clear, however, that Begin is isolating Israel from its most crucial source of support, and threatening its very existence in the process.

Tribune and Register Syndicate.

# Official Summer Scenes

By Mary McGrory

WASHINGTON - Ronald YY Reagan went out in the midday sun Monday, returning to the scene of his inauguration to beat the drums for a constitutional amendment for a balanced budget. None among the several thousand in his sweltering audience paid more rapt attention than the emergency medical teams that hovered on the edges. They were watching for victims of the 92-in-

the-shade heat.

The rescue workers hauled or wheeled away about a dozen casu-alties of the murderous sun and leaden air as the president called for "a new people's crusade" to stop government spending. His listeners seemed to be fried

government workers, baked em-

ployees of the Republican National Committee and tourists, who panted to the site for the windfall of seeing the president live. It was a major production, with sweating White House advance men scurrying about, the Marine Band playing "Ruffles and Flour-ishes" and a heavy Cabinet turn-

out that included Secretary of

State George P. Shultz, who could

have been thought to have better things to do. Vice President Bush, whose campaign references to "voedoo economics" make him somewhat less than a natural for such events. was pressed into a rare public appearance. He spoke of the weather.

Most of the mights were in

shirtsleeves. The president wore his jacket and bulletproof vest. While onlookers used their posters as sunshades and their tickets as tiny fans, a red-faced Reagan labored through a speech in which he promised to make good on a campaign promise to balance the budget, in certain circumstances. The president was scheduled to

emerge from the air-conditioned comfort of the White House later in the week for another promotion. this one in the foreign field.

At the Organization of American States Wednesday, he would attend a "gala Caribbean summer evening" to celebrate his Caribbean Basin Initiative, a program that permits him to avoid addressing the real problems of Central America, which happen to be injustice and oppression.
In announcing it last February,
Reagan called it "an integrated

program that helps our neighbors help themselves." Since then he has sharply limited imports of the Caribbean's major export, sugar. Still, it was to be a great party. Central American leaders, ambassadors and U.S. Cabinet members would turn out. Bands would play.

Television cameras would be there. But the Caribbean Basin Initiative and the balanced budget amendment illustrate one point: [[ you are not willing to admit what the trouble is, you are not likely

to find the solution. The Washington Post.

#### LETTERS TO THE EDITOR

only Nos. 3 and 4 remained open.

(During the first year of occupation

after the 1967 war, option No. 3 was

still a possibility). The Palestinians and their sponsors chose, again, to

stick to option No. 4 only.

History for Israel ...

Since the Palestinians' case is being so copiously presented daily, it is well for a non-party-affiliated, left-of-center historian to repeat our - the Israelis' --- case against the Palestinians, as follows:

Burgeoning European nationalism developing in the last century in the wake of the Napoleonic wars, was the parent of both Palestinian and Jewish Zionist) nationalistic movements. Since both were claiming the same tiny strip of land as the territorial expression of their respective aspirations for self-determination, conflict

During World War I the British used both movements, with some effect, as a stick with which to beat their opponents. These more general efforts remain in popular memory through the performance of Lawrence and the Balfour Declaration. Because we were aware of the problem and tried to solve it by

peaceful means, without giving up the basic idea, and because the British also tried to live up to their promises to both sides, in the period of 30 years from 1918 to 1948 the following choices were open to the Palestinians:

• The Gibraltar solution, that is,

to live with us together happily ever after under the British crown, To create a bi-national state. To divide the land.

For the next 20 years, until 1968.

 To kill or chase away the Jews. It is a historical fact that the Palestimians chose option No. 4. This choice reached its strongest expres-

sion during the 1948 war.

they so fervently wish to do now) while they could, during those 20 years, without hindrance from us. To us in Israel, it seems that their implacable haired knows no bounds, and the only course they are ready to

contemplate is our total destruction. In such an ambience, both ideological (their famous charter and an infinity of hate literature) and practical (the

the world in their place.

haps the date and means of our liquidation. The genuies' insistence that we should open negotiations with the PLO therefore seems to us irrational,

indiscriminate terror), there seems to

be nothing to negotiate except per-

It remains a mystery to us why they did not establish a Palestinian To me it seems that the Palestinians have lost all four of their options for territorial self-determination in state in Judes, Samaria and Gaza (as the foresceable future, assuming we have the strength to avert the annihilation option. They had them for 50 years, a longish time. Now they will have to get used to the fate of the Armenians, the Kurds, the Bretons, the Welsh and many others.

MOSHE RON.

#### ... Differs From History for Jordan

(Letters, July 19):

The presence of the Palestinians in Jordan and other countries is due to their forced expulsion from their large forced expulsion from the large forced ex homeland (Palestine) following the creation of Israel in 1948 and the transplantation of ingathered lewish immigrants from different parts of

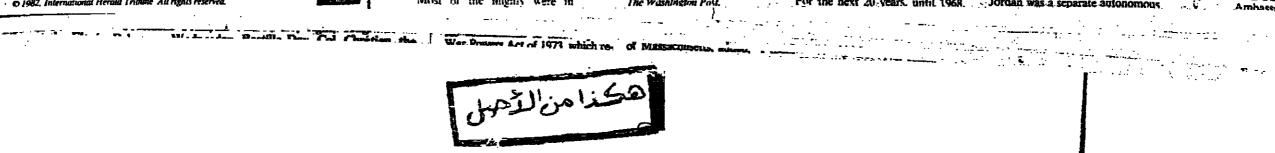
Palestine was held in 1918 in trust by the British mandatory power to prepare its people to form their government and ultimately achieve independence. The British betrayed that trail issue of the right of the Palestiniinternational trust and paved the way ans to determine for themselves their future on their own soil. estinian problem.

Jordan was a separate autonomous

In response to "Eves on Hussein" it had been definitely excluded from Letters, July 19): it in 1922 by Winston Churchill, then Scott Gordon falsifies history and secretary for the colonies. In 1948 Jordan came to the rescue

> ing them refuge with dignity. This great task is carried out faithfully and without hesitation by King Hussein, in keeping with the traditions of his family, long known for its historical role in Arab nationalism,

ABDULLAH SALAH



Former Home of Aide To President Is Also Hit

The Associated Press PARIS - A bomb left in a garbage can exploded Tuesday night near a crowded cafe in the Place Saint-Michel, injuring 16 persons, the police said Wednesday. Two of the 16 were hospitalized, both in satisfactory condition.

Later, a bomb exploded outside the former apartment of Régis De-bray, a French presidential adviser. No one was hurt.

Earlier Tuesday, explosions damaged a bank and an import-export company, both of which have links to Israel.

A short time after the explosion in the Place Saint-Michel on the Left Bank, a caller identifying himself as a member of Orly, an Armenian group, telephoned a French news agency and said his group was responsible.

The guernila organization is seeking the release of four members of the Armenian Secret Army for the Liberation of Armenia. The four were imprisoned after the Sept. 24, 1981, takeover of the Turkish consulate in Paris.

Witnesses to the Saint-Michel bombing said they saw three men run from the square shortly before the explosion. No arrests were

About four hours later a bomb exploded outside a third-floor Left Bank apartment occupied until recently by Mr. Debray, a leftist ac-tivist and writer and a special adviser to President François Mit-

An anonymous telephone caller told Agence France-Presse he was a member of the Revolutionary French Brigades. He claimed the bombing was in response to the at-tack at Place Saint-Michel.

**Authenticity Is Questioned** Police sources said Wednesday they doubted the authenticity of

The French author Jean-Edern Hallier said in early May that he had been kidnapped by the group, which supposedly is rightist, but the case was widely dismissed as a publicity stunt.

The police take more seriously the Armenian claim of responsibil-

Europe-1, a Paris-based radio station, broadcast a tape Wednes-day that was made last weekend by a Beirut spokesman for the Ar-

menian group.
The spokesman, identified only as Mr. Agopian, claimed that France's interior minister, Gaston Defferre, had reneged on a promise to grant political asylum to the four men arrested in the takeover of the Turkish consulate.

Attack in Rotterdam

ROTTERDAM (AP) — Tw men fixed on a car carrying the Turkish consul. Kemalettin Demirer, but neither the consul nor his driver was hurt in the attack Wednesday, the police said A Dutch police escort shot and vounded one man.



British Prime Minister Margaret Thatcher on Wednesday visited Ian Lynch, left, and Paul Pahner, Royal Green Jackets bandsmen injured in an IRA bombing in Loudon's Regent's Park.

# **Londoners Warned That Bombings** May Signal New Terror Campaign

cowardly attack like yesterday to

stop us doing our duty."

The death toll from Tuesday's

attacks against the ceremonial cav-

alry troop in Hyde Park and a regi-

mental band in Regent's Park rose to nine with the death of a 19-year-

old lance corporal. Of the 52 in-

jured, 21 persons — mostly sol-diers — remained in the hospital.

Two were in critical condition.

extra police escort.

Compiled by Our Staff From Dispatches the wreckage from the bomb at-LONDON — Scotland Yard tack in Hyde Park and stood guard warned Londoners on Wednesday that the British capital may be facing a new terrorist campaign after two bomb blasts that killed nine

With police searching Irish Re-publican Army haunts and watching ports, airports and railroad stations for the bombers, Cmdr. William Hucklesby, head of Scotland Yard's anti-terrorist squad, warned, "We may well be in for another terrorist campaign in London. We are gearing up to deal

The IRA, seeking the end of British rule in Northern Ireland, claimed responsibility for both of Tuesday's explosions.

On Wednesday, the Queen's Scotland Yard's anti-terrorist Household Cavalry trotted past branch appealed for information

at Whitehall - as tradition dictates. The only deviation was an "We are continuing to mount a guard in the same fashion as that of the last 300 years," said Col. Andrew Parker-Bowles, commanding officer of the Household Cav-alry. "It will take more than a

"Our anger at those who did this is total. They are just barbaric and vicious. They mustn't win," Prime Minister Margaret Thatcher said after visiting eight Royal Green Jacket bandsmen at St. Mary's Hospital in Londdon

blue Morris Marina that contained a bomb wrapped with nails. Another bomb killed six Royal Green Jacket bandsmen during a lunch-time concert in Regent's Park. Police said the bandstand was searched before the concert but the bomb was concealed between planks under the floorboards.

ures became too much for the public to bear. iodically escapes abroad reflected

They were attending Argentina's first legal political rally in more than six years of military dictator-

Friday night's rally, sponsored by the Radical Youth, a faction in the center-left Radical Party, was called two weeks ago in defiance of the military. The rally suddenly be-came legal when the military regime lifted its ban.

By Edward Schumacher

New York Times Service

BUENOS AIRES - The small

Ricardo Alvarez, an organizer, stood in the back and scanned the sea of faces as the crowd roared again and again: "The military dictatorship is going to end." He grinned with welling emotion.
"They feel and want liberty," he

The military, discredited for capitulating to Britain in the Falklands and failing to put Argenti-na's chaotic economy in order, has been fulfilling part of its promise to return the nation to democracy within 20 months. Government workers are pulling

dusty voting boxes from warehouses to repair them. Other workers are studying outdated vot-

Many Argentines, gratified by their new freedom, remain skeptical about some of its implications. Political parties as well as the miliary have historically failed them. Civilian political leaders have had a poor record of espousing wildeyed populism, engaging in cor-ruption and goading the military into coups against competitors.

Only one elected president, Juan D. Perón, completed a full term in

the period of half a century as "the most grave problem is succeeding civilian and military governments turned over the country to each other when their fail-

But They Remain Skeptical After Half a Century of Nothing but Failure

One woman in her 30s who pera common frustration. "After you're here for a while, your standards lower," she said.

Admitting that the military is not the only one to blame, Deolindo F. Bittel, the acting head of the Peronist Party, said last week that

#### Rebel Archbishop Plans to Retire, His Secretary Says

The Associated Press
RICKENBACH, Switzerland ----Archbishop Marcel Lefebvre will resign this year as head of his traditionalist Roman Catholic movement, according to his secretary. The Rev. Patrice Laroche said

Tuesday that the 76-year-old French archbishop, who was re-ported gravely ill with pneumonia last year, had decided to step down to "assure a smooth transition" in the leadership of his St. Pius X Sa cerdotal Fraternity. Archbishop Lefebvre founded the movement in 1970 in Econe, Switzerland, to fight liberal reforms adopted after the Second Vatican Council in

1962-65. Father Laroche said Archbishop Lefebvre was in very good health and would continue to advise his successor after his retirement. He said a successor would be an-

nounced in September. Archbishop Lefebvre has or-dained more than 100 traditionalist priests, defying Vatican sanc-tions forbidding him to say mass or administer sacraments.

precisely that the people don't believe in anything anymore."

The government recognizes at least 15 national political parties, not counting the Communists, underground leftist groups and inde-pendent provincial parties. There are few ideological differences. All but one are left of center. Most are dominated by old men divided by personal ambitions.

#### Single Exception

The single ideological exception is the centrist Federal Party, whose members hold political beliefs similar to those of liberal Republicans in the United States. There is no party for conservatives, depriving Argentina of what many political analysts say is needed balance. The military has filled the conservative

party founded in the 1890s, the Radicals, represented the growing number of arban immi-grants and broke the landed oligarchy's political control. The party grew rigid and its longtime leader, Hipolito Irigoyen, was overthrown in 1930 in the first military coup of

the century.

Many of today's parties are offshoots of the Radicals. The party itself, after almost 40 years under the control of the late Ricardo Balbin, is headed by Carlos R. Contin, 66, who retained control in a heated vote Monday.

The Radical Party, generally regarded as the nation's second largest, is seriously split between two factions, Mr. Contin's National Line and the Movement for Reno-

firebrand. Mr. Alfonsin spoke Friday night at the rally. He warned of the nation's "tendency to dissolution," and then accused Mr. Contin of being a collaborator with the mili-

vation and Change, headed by Raul Alfonsin, a 55-year-old leftist

tary regime, a heady charge.
The Peronists, Argentina's largest party, are even more deeply di-vided, with about a dozen factions. Members have ranged from the extreme leftists who assassinated policemen in the mid-1970s to the extreme rightists who assassinated the leftists.

The party's titular head, former President Isabel Perón, is in exile in Spain.

Party leaders argue that recurring military coups have prevented a firm grounding in democracy. The promise of democracy, however, has lured many Argentines, particularly young ones such as those at Friday's rally, to try again.



#### French TV Profile of Mitterrand Is Broadcast Despite His Protest

Compiled by Our Staff From Dispatches PARIS — French television showed a program on the life of President François Mitterrand on Tuesday night despite his request that it be canceled.

Mr. Mitterrand, possibly reacting to press charges that he was seeking to boost his falling public image, asked the state-run net-work TF1 not to show the 95-minute documentary.

It was based on his speeches and published diaries between the start of World War II and his election in May of last year and combined film and photographs with the voices of actors reading. from his works. A spokesman for TFI said that the decision to run the program

was made by the channel's chief executive officer. In a communique the network denied that the show had any political overtones and said it had been decided to broadcast the program because Mr. Mitterrand's writings "belong to history and this is a historical broadcast."

The newspaper Libération, which normally supports the Socialist administration, described the program as "an operation to promote the president that makes no decent pretense of objectivity."

Le Figaro, a conservative daily, called it "an indecent hagiogra-phy," and the pro-Socialist Le Matin said that the broadcast could be considered as "a small provocation" that opposition parties were likely to denounce as propaganda.

# Ahmat Acyl, Former Official in Chad, Dies

YAOUNDE, Cameroon - Ahmat Acyl, 38, a former Chadian foreign minister, was killed Mon-day in southern Chad when he was struck by a whirling airplane pro-peller, diplomatic sources said Wednesday. They added that there appeared to be no suspicion of

Mr. Acyl was foreign minister in the government of Goukouni Oneddei until June 2, when rebel leader Hissène Habré took the capital of Ndjamena and drove Mr. Gonkouni from the country. Mr. Acyl was head of the Democrafic Revolutionary Council, one of four major political factions in the impoverished nation. He was considered the most pro-Libyan of Chad's factional leaders.

Hines H. Baker

HOUSTON (UPI) - Hines H. Baker, 88, chief executive officer of the Humble Oil & Refining Co. from 1948 to 1957, died Monday.

O'Neil Ford

SAN ANTONIO (AP) - O'Neil Ford, 76, an architect noted for his Southwestern style of design

#### Pakistan Releases **Indian Prisoners**

The Associ

NEW DELHI - Ten Indian citizens who had been held in Pakistani jails for about a decade without trial were returned to their homeland Tuesday night, most of them in poor condition.

Their return was regarded as evidence of improving relations be-tween the two neighboring countries, which have fought three wars since gaining independence from Britain almost 35 years ago. Paki-stan announced recently that it would allow Indian diplomats to visit the unspecified number of Indians held in its jails if India would reciprocate.

A report from Karachi said that the nine men and one woman had been detained for 11 years in connection with the 1971 war between the two countries.

**AUTHORS WANTED** 

blending Spanish, Mexican and pi-oneer Texan motifs, died Tuesday. In addition to the 622-foot Tower of the Americas, the theme structure at San Antonio's 1968 World's Fair, Mr. Ford designed the 1936 Texas Centennial Exposition at Dallas, the University of Texas campuses at San Antonio and Dallas, and several buildings for Skidmore College in Saratoga Springs, N.Y., and Marymount College in Tarrytown, N.Y. He also designed buildings and shop-

Willy de Luca

ping center complexes in Switzer-land, Peru and Mexico.

ROME (Reuters) - Willy de Luca, 57, director-general of the Italian state broadcasting corporation, RAI, died after a heart attack the newspaper Merdeka reported.

Wednesday. A journalist since 1951, he entered RAI in 1966 and was appointed director-general in June, 1980.

James R. Brown Jr.

DALLAS (UPI) — James R. Brown Jr., 58, president of Dresser Industries Inc., a multinational high-technology corporation, died Monday after a heart attack.

25 Drown in Indonesia Reuters

JAKARTA — Twenty-five persons drowned when a motor launch caught fire and sank off central Sumatra on Sunday. Fiftyfive people swam to safety, offi-cials said Wednesday. The fire



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# Latest in Video Chic: 'Earth Stations'

Washington Past Service
WASHINGTON — Two years WV ago out in Arcadia, Okla, Rick Schneringer flicked on his television, fiddled with the dial and flopped down on the couch. It was late afternoon in Arcadia, midnight in Moscow and 8 a.m. in

Vladivostok, and "Good Morning,

Siberia" was on the air, live via sat-

"It was the darndest show," said Schneringer. "With a little manip-ulation I'd been getting the Mos-cow Olympics all week, and then this show came on. I flipped my wig. Strange show. They spent a lot of time on it trying to show how American spies keep secrets in their boots or under their

Schneringer, president of Satel-lite TV Technology, a company "dedicated to the promotion of home satellite receivers," pulled in the Soviet morning programming with a concave dish connected to his home television. Until recently the idea of hooking up a satellite receiver, or "earth station," for personal use had been, if not whoily fantastic, at least fantastically expensive; Neiman-Marcus featured a Comsar earth station for \$36,000 in its 1979 catalog. But the price is dropping and the idea is

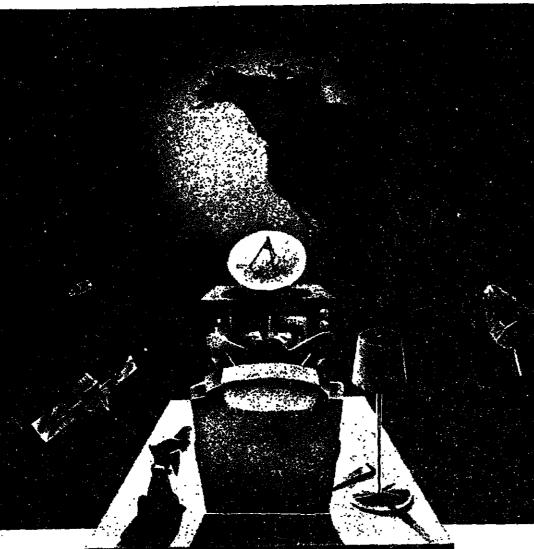
catching on.

Larry Holmes has one. So do Rich Little, Barry Goldwater, Ran-dolph Hearst Jr. and the offices of the U.S. House of Representatives. Corporations such as Avon and Ford, and Eskimos from Newfoundland to Greenland all use satellite receivers for electronically coordinated meetings, or

teleconferences. Ted Turner gave Daniel Schort an earth station for his back yard two years ago. "I may have been the first person in the Washington area to have one," said Schorr, senior Washington correspondent for the Turner-owned Cable News Network. "Turner asked me how my kids were going to be able to see me on television since there isn't any cable in Washington. So he gave me the dish. It was a gift." If you don't happen to have a boss as generous as Ted Turner and you want to own the latest in

video chic, a satellite dish is still a considerable investment. "If you want to spend around \$12,000 you can get a unit with all the bells and whistles," said Schneringer. "But you can get a perfectly adequate system for around \$3,000 to \$5,000. You can also buy a kit for \$2,000 and build one yourself."

An earth station has three components: a satellite dish, a lownoise amplifier (LNA) and a receiver. The dish is generally 10 to 12 feet (about three and a half meters) in diameter. It must be set on a sturdy foundation, generally con-crete, and must not be blocked by



the signal transmitted from satellites can be weak or distorted, the LNA is necessary to amplify the signal and improve reception. The receiver looks like the channel tuner on an ordinary television set and basically does the same thing - except the satellite can pull in 50 to 60 channels, with more to come in the future.

One popular misconception is that with a satellite dish a viewer can pull in just about any signal from any satellite.

That isn't true. While the heavens grow more crowded with satellites every day, only a few are designed for television transmissions. The range of a satellite is called its "footprint," and an earth station owner can sit down to broadcasts of British news or French theater only if that show has first been beamed to a European satellite and then to one of the satellites that has the appropriate "footprint." When the earth station is initially installed, it is aimed toward one of the main satellites;

overhanging roofs or trees. Since in order to redirect the angle of the satellite dish, it must be adjusted by hand or by a system attached to the television.

Without breaking the law, an earth station owner can listen in on most cable stations free of charge. Schneringer claims that, whenever anyone tries to pay cable TV companies for listening in, the checks are mailed back. Not that the cable companies are happy with the situation; some, like Home Box Office, have announced multimillion-dollar plans to scramble their signals. Many in the satellite industry

say that the new technology is designed above all for people in remote areas of the United States. where reception is poor or nonexis-"There are 3 million homes out

there that can't get more than a couple of stations and a lot who get just about nothing," said Schneringer. "I just had a forest ranger out in Idaho tell me that there's more snow on his TV than there is on the ground in January."

While large earth stations re-quire a sizable bank account and suitable clearance - making such technology impossible for many city dwellers - it is possible to buy a dish that is only two to three feet in diameter, about a quarter to a tenth the price of its big brother and, quite possibly, the real comer in satellite technology. The Federal Communications

Commission recently confirmed the legality of still-to-be-built direct broadcast satellites (DBS), issuing rules for broadcasting directly to home sets. The decision could deeply affect the television industry, since DBS owners would be able to bypass cable subscription companies and have more alternatives to the usual network offer-ings. The FCC also ruled that the new broadcasters will not be required to include community service programming. While the big earth stations are still state-of-theart and more powerful, the more affordable small dishes may become a common sight on rooftops and in back yards.

# Nightmares: A Normal Part of Growing Up By Andrec Brooks

New York Times Service

NEW YORK — For years professionals in pediatrics have wrestled with the problem of childhood nightmares, trying to help both parents and children handle what can be a very troubling occurrence for both. Experts identify two kinds of bad dreams

that young children experience: the nightmare, which is quite common, and night terror, which affects about 3 percent of all chil-

While these disturbances occur in roughly the same age group, under age 7, they are not similar. The nightmare typically occurs during rapid eye movement or dream-phase sleep, while night terror, which affects mostly boys, generally occurs during "slow wave" sleep. While night terror usually isn't remembered the next morning, nightmares tend to

be memorable and frightening. Night terror is a less serious as well as less common problem.

Edward R. Christophersen, professor of pediatrics at the University of Kansas Medical Center and nightnesses. cal Center, said nightmares are a normal part of a child's development. "It's hard to find a child who has not experienced nightmares at some time or another," he said. Thus they should not automatically be seen as a sign of a serious problem, especially if the child is under 6, when most nightmares occur.

Threatening Experience

Early childhood nightmares are now recognized as a natural response to a threatening experience in a child's life, said Dr. John E. Mack, professor of psychiatry at Harvard Medical School and co-author of a number of recent papers on childhood dreams. Mack and other experts say that nightmares often follow such traumas as surgery, a hospital

pediatric psychologist with the Child Development Institute of the University of North Carolina, the basic themes of such dreams have changed little over the centuries, even though the dreamer may now be chased by an extratemential rather than say a muthologist extraterrestrial rather than, say, a mythological creature. Nightmares invariably include an object from the real or fantasy world of the child that seems to threaten his or her

existence Because a young child has difficulty differentiating between reality and fantasy, now-adays television shows or movies are considered possible catalysts. "I clearly remember a very definite correlation between the arrival of 'Star Wars' and a tise in the number of reports of children having nightmares," Schroeder said.

# Study Raises New Hope for Averting Senility

By Harold M. Schmeck Jr.

New York Times Service NEW YORK — A surprisingly large number of elderly patients in nursing homes suffer from mental dementia that is potentially reversible, according to a team of brain specialists.

But without proper diagnosis and treatment, such patients are doomed to finish their lives in institutions, the doctors said in a report in The Journal of the American Medical Association.

Altogether, about 25 percent of the seemingly senile or demented patients whom the specialists studied in detail had severe but potentially curable behavioral problems.

'A Great Surprise'

"It was a great surprise to us," said Dr. Thomas D. Sabin of Boston University, one of the authors of the report. "We thought the number of potentially reversible dementias would be much lower than that."

The patients' problems included mental confusion, loss of memory, urinary incontinence and stumbling. In some cases the problems stemmed from toxic reactions to drugs given to keep the patients quiet, or even medications for heart conditions and other nonmental illnesses. In other patients the problems were caused by blood clots inside the skull, called subdural hematomas, or other brain problems that could be treated by

#### National Scope

Dr. Vernon H. Mark of Harvard Medical School, another of the specialists, said that all the paients studied were in nine nursing homes and hospitals for the chronically ill in the Boston area but that the problem was clearly of a worse in some areas than in the Northeast, where medical care is relatively good. He said this view came from talking to doctors in other states and from experience with other nursing homes.

"We actually went through the best," Mark said of the homes studied.

#### 'Depressing Statistic'

Statistics show more that than a million Americans live in nursing homes or equivalent institutions. Most are over age 65.

"A more depressing statistic is that elderly patients institutionalized for longer than six months have little chance of being dis-charged," the report said, "unless it is for transfer to a hospital for the care of an acute illness."

Sabin said that most elderly patients who have been in such institutions more than three months were likely to have symptoms of dementia.

There are several important lessons from the study, the specialists said. The first is that doctors should use extreme care in diagnosing the elderly and remember that dementia and senility are often reflections of disease, not simply inevitable results of aging. Diagnosing dementia is difficult, even for specialists, they said.

#### **Bad Reactions**

Another lesson for elderly people as well as their doctors is the need for great caution in the use of medicines. The aging brain becomes increasingly susceptible to bad reactions to tranquilizing, or ataractic, drugs, as well as to a wide range of other potent medica-tions used by the elderly. Mark

"The susceptibility of the brain

in the elderly patients to not only attractic drugs but also chemical agents used in the treatment of many common medical conditions must be emphasized, and the im-portance of adequate nutrition and hydration should not be overlooked," the report said.

In patients whose original diagnoses were conditions such as heart disease, diabetes or leg ulcers, the research team found dementia to be as common and severe as in patients diagnosed as having senifity, schizophrenia or other mental disorders.

The doctors were alerted to the problem by patients who had been referred to Boston City Hospital. One typical case history was that

after surgery for a hip fracture. So that she would not disturb other patients, she was given haloperidol, a powerful tranquilizer, and thereafter developed the symptoms of dementia. Presumably, the dementia would have continued if the medication had not been halt-

ed, the specialists said. They noted that symptoms of mentia can also be brought on in the elderly by severe depression caused by such nonmedical prob-lems as loss of family ties, anxiety over lack of money and loss of

physical independence. The specialists studied 136 patients and did detailed neurological reports on 111.

# Coffee Fans Spurn Cancer Tie

BOSTON — Many coffee drinkers have heard about a medical study that links their morning brew with cancer of the pancreas, but a survey says their reaction was generally the same: They ignored it.

The study, made public in March, 1981, said people who drink a cup or two of coffee a day are nearly twice as likely to develop this form of cancer as people who don't drink coffee. The Harvard researchers who did the work cautioned that their discovery should be verified by other

The report received wide publicity. Four months later, researchers from the University of New Mexico Medical Center conducted a telephone survey to find out what effect it had had on people's coffee drink-

They interviewed 566 persons and found that 70 percent were coffee drinkers. Only one person contacted had cut down on coffee consumption specifically because of the study's findings, although 58 percent of the people said they knew about the coffee study.

"Regardless of the intent of the authors and media, the association of coffee drinking with cancer of the pancreas was presented to the public in a fashion that might have affected behavior," the New Mexico researchers noted. Yet, they added, "The data from our survey clearly indicated that this information had little long-term effect."

The survey directed by Dr. Jonathan M. Samet was published in the New England Journal of Medicine, which also carried the results of the

original coffee study.

# 2 Republicans Deplore Sea Treaty's Rejection

Los Angeles Times Service
WASHINGTON — The Reagan administration is making a serious mistake in refusing to sign the 130nation treaty on the Law of the Sea, according to testimony by two former negotiators who are Re-

publicans.

Elliot L. Richardson, former U:S. ambassador to the Law of the Sea Conference and now chairman of the State Department's public advisory committee on the issue. said the administration's decision had been influenced by "ideologi-

#### **Argentine Pledges** Only Peaceful Use Of U.S. Computer

The Associated Press
BUENOS AIRES — The head of Argentina's nuclear energy program has said that the eventual use of a U.S.-made computer in a plant to produce heavy water will be for purely peaceful purposes.

Adm. Carlos Castro Madero told the official Argentine press agency Telam on Tuesday that the heavy-water plant being built by the Swiss company Sulzer in the western city of Arroyito, which is expected to be completed by 1985, was subject to security guarantees imposed by the International

Atomic Energy Commission.
The U.S. State Department confirmed Monday that a computer built by the Foxboro Co. of Fox-boro, Mass., had been sold to Sulzer to transfer to Argentina, but it denied that the sale indicated a significant change in U.S. nuclear

policy toward Argentina. The United States has barred the sale of "sensitive" technology to Argentina that might be useful in the development of nuclear weapons because of its refusal to sign the 1978 nuclear nonprolifera-

cal pressures." He warned that the United States could end up with an alternative treaty that is "less satisfactory."
Mr. Richardson was one of five

But the administration's belief that "mini-treaties of the sea" can be substituted for the comprehensive accord "does not appear to be politically viable," testified Leigh S. Ratiner, former deputy chairman of the U.S. delegation to the Law of the Sea Conference.
"The world intends to go for-

ward with the Law of the Sea treaty without us," he said. "I am convinced, even as a conservative who finds the deep seabed provisions ideologically offensive that we have much more to lose by staying outside this treaty than by joining Administration spokesmen testi-

ed the treaty's rejection.
"The United States could not go

along with a treaty that so clearly thwarted many important U.S. ocean interests," said Theodore G. Kronmiller, deputy assistant secre-tary of state for oceans and fisher-

Mr. Kronmiller said that the negoliations on seabed mining represented "a major failure of interna-tional diplomacy" because the

not taken into account."

But Mr. Richardson replied that although the treaty is "far from perfect," the seabed proposal is 'not unworkable."

witnesses called to testify Tuesday before the House Merchant Marine and Fisheries Committee on President Reagan's July 9 decision not to sign the treaty. Mr. Reagan said at the time that the treaty's limit on future seabed mining "does not meet United States ob-

lying before the committee defend-

"concerns of major countries were



The crew for the next flight of the space shuttle Columbia met From left are Joseph P. Allen, William B. Lenoir, co-pilot Rob-

with journalists Tuesday at Johnson Space Center in Houston. ert F. Overmeyer and mission commander Vance D. Brand.

# Space Shuttle to Carry 4 Men, 2 Giant Satellites

By Thomas O'Toole

Washington Past Service
WASHINGTON — The next flight of the space shuttle Columbia will carry two giant communications satellites into orbit and the most astronauts ever to be launched in one spacecraft at the

The satellites to be carried aloft "We cannot long afford to iso-late ourselves from multilateral ar-will be 10 feet (three meters) tall rangements vitally important to and five feet wide and weigh 5,000 this nation's oceanic interests," he pounds (about 2,300 kilograms)

One belongs to Satellite Business Systems and will be deployed from the shuttle over the Pacific Ocean between Hawaii and Chile, then boosted into a higher orbit. The other is owned by Telsat Canada Ltd. and will be deployed in the same place the day after the

first satellite. "It is a four-man operation to launch those satellites," Robert F. Overmeyer, the U.S. Marine Corps colonel who will co-pilot the next shuttle flight, said Tuesday at the Johnson Space Center in Houston.

we're out of radio communications with the Earth, and we'll need all four people aboard to handle it." Col. Overmeyer will be co-pilot

for Vance D. Brand, a veteran astronaut who will command the four-day mission and who flew on the Apollo-Soyuz flight in 1975. Like Col. Overmeyer, the other two crew members, Joseph P. Allen and William B. Lenoir, will be making their first space flight. Both are physicists with doctoral

degrees.
To handle four astronauts, the 'We'll be launching them when shuttle's two ejection seats will be

removed and replaced with three cockpit seats that cannot be used as ejection seats.

The fourth crew member will

ride in a new seat to be installed in the mid-deck of Columbia's cabin, just outside the airlock that Mr. Allen and Mr. Lenoir may use to enter the cargo bay for the first shuttle space walk.

None of the astronauts seemed bothered by the fact that they will be the first to fly the shuttle without the possibility of being ejected if the craft is damaged during lif-

# U.S. Social Aid Agency

By Robert Pear

New York Times Service WASHINGTON --- The Department of Health and Human Services is considering changes in reg-ulations that would let it make major revisions in the rules for Social Security, Medicaid, welfare and other programs without giving ad-

vance public notice. The proposal, which has drawn fire from some who receive benefits from those programs, would also permit the department to make changes without receiving comment from the public.

Department officials said that in most cases they would continue to use the "notice and comment" procedures they have been following for 12 years.

#### Means of Modification

But under the proposal, the de-partment could choose to "omit the use of notice-and-comment procedures for rules relating to public property, loans, grants, ben-efits and contracts if, in its judgment," the delay had disadvantages that outweighed the benefits of public comment.

The "notice-and-comment procedures" that the proposal would modify are the means by which the proposal itself could take effect.
The proposal was published last month in the Federal Register, the medium through which the govern-ment gives advance notice of changes in regulations. It is open

to public comment until Aug. 23 and could then take effect after being published in its final form. Department officials said one of the major disadvantages of current procedure in changing rules is the inordinate amount of time, often a

year, that it requires. The department is planning to issue new or revised rules soon for Medicaid, Medicare, Social Security and Head Start, which provide benefits for the poor, the elderly

May Alter Notice Rule While the department can issue new regulations making substantial changes in federal benefit pro-

> consistent with laws passed by Opposition to Change

grams, it cannot make a change in-

Advocates for the poor, consumer groups, hospital administrators. nursing home operators and others who receive benefits from the department are opposing the rules

Sara Rosenbaum of the Children's Defense Fund, a national nonprofit organization, said re-cently that the proposal would "end the public's right to comment on regulations before they are is-

Eugene Tillman, a lawyer in private practice who used to work at the department, said that under the proposed rules the department could "escape judicial review" of its decisions to forgo public notice and comment. He said the proposed rules "represent an erosion of the public participation princi-ple which has been firmly established over the past decade.

cials, trade associations and private citizens. "Our main concern is situations where we do not have enough time for notice and comment because of statutory deadlines and program needs," said Terry Coleman, the department lawyer who supervises the issuance of regulations

Department officials acknowl-edge that rules have often been im-

proved as a result of comments submitted by state and local offi-

Cries Are Real — 4 Drown

The Associated Press DUNCAN Okla — A woman, her two children and a nephew drowned in a lake when campers. accustomed to hearing the young-sters' playful shouts for help, ig-nored their cries for aid, the High-way Patrol said.

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BUSINESS / FINANCE

#### **BUSINESS BRIEFS**

#### Total Agrees to Sell Canadian Assets

CALGARY, Alberta — Total Petroleum North America Ltd. said it has agreed to sell a 75 percent interest in its Canadian oil and natural gas producing properties to a partnership composed of a Total subsidiary, Veryport Petroleums Ltd., and Stanford Resources Ltd.

Under the agreement, Total would receive 166 million Canadian dollars (\$132 million), and the partnership would agree to spend 125 million dollars exploring land in which Total has or will have an interest. Total said the partnership would be entitled to a 75-percent interest in Total's unexplored Canadian properties. The agreement is subject to receipt of satisfactory tax and other rulings:

Total said Newport and Stanford are Canadian companies entitled to maximum incentive payments under the Canadian energy program. To-ral is 52-percent owned by Cie. Française des Petroles of France.

#### Mobil Ends Offer to Sell Libya Unit

NEW YORK — Mobil Corp. has withdrawn an offer to dispose of its oil interests in Libya, but a spokesman declined to say whether Mobil had changed its mind about leaving the country.

The spokesman said here Tuesday that the company is continuing to negotiate with Libya.

gotiate with Libya.

Mobil, one of the original developers of Libya's oil fields, disclosed in June that it planned to withdraw from oil production and exploration in the country on July 13, even though it had not been able to obtain "acceptable terms" in negotiations with Libya. Those talks began last November, shortly after Exxon Corp. relinquished its Libyan interests.

#### Chemical Forms Brokerage Service

NEW YORK — Chemical Bank said Wednesday that it is forming an investment and brokerage service that will trade in stocks, bonds, money

market instruments and government securities.

The unit, Chemical Investor Services, is to provide services through checking accounts. Although it is a first step toward one-stop investment services, the program differs from cash management accounts offered by Merrill Lynch and other brokerages in that Chemical will only execute

Trades in stocks and corporate bonds, margin loans and safe keeping services are to be carried out through the Pershing division of Donaldson; Lulkin & Jenrette. Chemical's treasury department will handle all other transactions, which will include "virtually every short-term money market instrument," though a separate satellite office.

#### Burroughs Appeals in U.K. Dispute

LONDON — Burroughs Machines Ltd., a subsidiary of Burroughs Corp., is asking a British court of appeal to prevent the award of a computer contract by a British health authority to ICL PLC.

Earlier this month, a British court refused to grant a temporary injunction blocking the award of the £500,000 (\$865,000) contract, which Detroit-based Burroughs says violates European Economic Community legislation. An EEC directive requires public bodies in member states to award contracts through open bidding and not to discriminate between companies on the ground of nationality.

#### IBM, Mitel Plan Switching Gear

KANATA, Ontario — Mitel Corp. said Wednesday that it has signed an agreement in principle with IBM Corp. for developing a new IBM

family of line switching systems.

The Canadian company said the effort will blend its experience with private telephone systems with the information processing and European telephone experience of IBM.

#### North Sea Drilling Plans Expected

LONDON - Oil companies are expected to submit soon final develcoment plans for two new North Sea oil fields, and rapid government approval is expected, industry sources said Wednesday.

They said plans by Total Marine and Société Nationale Elf-Aquitaine of France to develop the Northalwyn oil and gas field at a cost of around £1 billion (\$1.73 billion) are expected to be submitted to the Energy Department within a few weeks. British National Oil Corp. and the British subsidiaries of Royal Dutch/Shell and Exxon Corp. have nearly completed their plans to spend almost £1 billion to develop the Clyde field, the sources said.

#### 1978 Total The New Shape Of Itel With Clear Signs of Leasing **Financial Improvement** \$387.8 Floures in millions of dollars **A Stripped Down** Version of its ITEL Computer **Former Self** Services and Sales Major businesses, Cash - 100 \$98.8 sales in millions of dollars Balances Container Léasing \$74.2 -\$1,800 1981 Leasing Total \$190.5 Container Aircraft \$102.9 **#**-100 --200 Rail Car Vessel Leasing Net -- 300 Income -- 400

# Itel Runs Into Slump as It Limps Out of Bankruptcy Proceedings

(Other \$10.9)

By Thomas J. Lueck New York Times Service

NEW YORK -- On an otherwise bright October day in 1980, the headquarters suite of Itel Corp., high above San Francisco's imposing skyline, had taken on the atmosphere of a wake. James H. Maloon, who had become chairman of the equipment-leasing corporation six months earlier, set the tone at a news conference about the company's 1979 loss of \$433.3 million.

"This is one of the great tragedies of the American corporate experience," he said. What followed three months later, when Itel filed for protection under Chapter 11 of the Federal Bankruptcy Act, seemed to justify Mr. Maloon's assessment. It was one of the largest bankruptcy proceed-

ings on record. Now, after 18 months, the company has made considerable progress toward recovery. Itel executives say the company could emerge from court protection by

"They've clearly laid the groundwork to get out of bankruptcy, and they've done impressive work," said Sanford Rich, an analyst for First Investors Manage-ment Co., a New York firm that manages high-yield bonds and mutual funds and which holds about \$3 million of bonds in a European subsidiary of Itel.

The company, having disposed of its businesses in computer sales and leasing and other equipment-leasing ventures, now leases railroad freight cars and cargo shipping containers. It has struck agreements with creditors who hold \$1.2 billion in debt. Most of the

bourg subsidiary owes a further

in Luxembourg July 28. So far the Bank of Italy has declined to com-

ment on reports of increasing pres-

sure from other central banks that

it comply with the Basel Concor-

dat and accept responsibility for the liquidity of Banco Ambrosiano Holding in Luxembourg.

Luxenbourg Banking Commis-sioner Pierre Jaans said Tuesday

that parties to the concordat will

have to discuss its adequacy be-cause of the Banco Ambrosiano

Holding affair.

A number of creditors will meet

\$300 million to foreign banks.

company's shares are to be turned over to the credi-

The company's remaining businesses, meanwhile, are being pummeled by the recession. Its equipment —including 18,500 boxcars and several thousand piggyback containers for road and rail shipping — is leased to automobile and paper manufacturers and to other clients in industries hit hard by the weak econo-

In 1981, the company said that use of its boxcars fell to 48 percent from 59 percent in 1980 and 91 percent in 1979. In this year's first quarter, the most recent period for which figures are available, Itel said its net income was \$6 million, compared with a loss of \$600,000 a year earlier. But the company added that it would have had a loss if it had been paying interest on its debt. (Under bankruptcy protection, companies are not required to pay interest.)

Itel's revenue in the first quarter revenue fell 8 percent to \$43.6 million.

Mr. Maloon, who had been vice president for finance at Pan American World Airways before join-ing Itel in 1980, resigned on June 17, citing "philo-sophical differences" with some of the company's debt holders.

The man who has inherited Itel's challenges is Herbert Kunzel, a board member who was elected to replace Mr. Maloon as chairman. In an interview, he stressed that his company's emergence from court protection this year "is by no means certain" and said (Continued on Page 9, Col.1)

# U.S. GNP Gained 1.7% **During Second Quarter**

#### **Experts React** With Caution

Compiled by Our Staff From Dispatches
WASHINGTON — The government reported Wednesday that real gross national product grew at an annual rate of 1.7 percent in the second quarter. While the performance was stronger than expected, analysts said it does not necessarily signal the end of the recession.

"Temporarily we've reached attom," said Lawrence Chimerine, head of Chase Econometrics, an economic forecasting firm. "But whether the recession really has ended depends on the future. It's a very small increase, a small in-crease from a very depressed level. Some sectors of the economy are still declining."

Even Reagan administration officials reacted cautiously. Com-merce Secretary Malcolm Baldrige said recovery may come a few months later than the administration had predicted. At a press conference, he said real GNP in the current quarter probably will not rise at the 4-percent annual rate predicted by the White House earlier this year "unless we see a more rapid drop in interest rates."

But, he said, GNP could rise at a 4-percent rate in the fourth quar-

Murray Weidenbaum, chairman of the president's Council of Economic Advisers, called the GNP report the first sign of an expanding economy since mid-1981. "Clearly we have bottomed out of the recession, the economy has turned up," he told the Senate Banking Committee. Optimism about the economy

had diminished in recent days. Last week, the government reported that retail sales declined 1.5 percent in June. Industrial production slipped 0.7 percent during the month. Many analysts said those reports showed that recovery from the recession had not begun. On Tuesday, the Commerce De-

partment reported a 0.5-percent decline in June's personal consumption spending. But the same report revised upward the department's earlier reports of April and May spending, estimating increases of 0.7 percent and 1.5 percent rather than 0.3 percent and 1.3

Most private economists agree with the Reagan administration that at least some economic recovis likely this summer, if for no



Malcom Baldrige

cut that took effect July 1. However, some private economists say that even modest recovery is still in

For example, while U.S. officials have predicted that consumers will lead the nation out of recession, Mr. Yardeni cites the same spending figures as evidence "more consistent with the view that the recession is not over and that consumers won't lead the nation out of the recession as long as interest

rates are high."

Wednesday's report also said inflation — as measured by the broad-based GNP "price deflator" - rose at a 5.3 percent annual rate in the second quarter after rising at an annual rate of 4.3 percent in the first quarter. The first quarter rate had been reported earlier at 3.8

#### One-Word Forecast

Private economists had predicted that the latest GNP figure would be slightly negative or slightly positive. E.F. Hutton Group's Edward Yardeni gave his forecast in one word: "Flat."

Contributing to the rise in real GNP — the total value of U.S. output of goods and services, adjusted for inflation - were an increase in personal consumption spending and a slowing in inventory reductions. Personal spending rose at a real annual rate of \$7.2 billion, up from \$5.7 billion in the first quarter. GNP fell at an annual rate of

5.3 percent in 1981's fourth quarter and 5.1 percent in the first quarter of 1982, the latest report

#### **NYSE Prices** Close Mixed

NEW YORK — Prices on the New York Stock Exchange closed mixed Wednesday in very heavy trading as selling pressure near the close forced the market to give up most of the gains it acheived earli-. er in the day.

The Dow Jones industrial aver-

age had risen more than seven points by early afternoon but then changed direction and finished with a drop of 1.24 at 832.19. Advances continued to lead declines by an 8-to-6 margin, and volume swelled to 66.8 million shares from the 61.1 million traded Tuesday. Analysts said the market is caught in the cross currents of de-clining interest rates and a weak

economy. The second quarter gross national product rose 1.7 percent,

#### The price rose to a five-month high of \$365.75 an ounce. Page 9

but first and fourth quarter GNP figures were revised to show greater drops than originally reported. Chester Pado of G. Tsai & Co. said he still believes stock prices are in a summer rally. He said the market recently has absorbed some

heavy selling pressure very well. "The Dow Jones average has been in the 820 to 840 range for six days with hefty volume each day and has managed to hold its ground," Mr. Pado said.

But he added that some of the technical factors in the market indicate that the rally does not have tremendous power behind it. He noted that the Dow Jones transporation average is in a pullback phase and that it is often of precursor to other market indices. The transportation average fell 2.18 Wednesday to 316.32.

On the NYSE floor, IBM was the volume leader, as it has been for much of the past week, but it dropped 1/4 to 671/2. Other computer stocks also weakened, including Digital Equipment, off 24 to 68. Computervision 14 to 244, NCR 14 to 514, and Honeywell 14 to

Cray Research was an exception, gaining 1% to 25% after reporting a slight gain in secondquarter earnings. Poor earnings reports knowcked

down Northwest Industries by 21/4 to 47½, Kollmorgen 1½ to 17 and American Airlines % to 16.

regarding its losses from its rela-tions with Drysdale and Penn

Losses related to Drysdale amounted to \$285 million before

taxes and \$117 million after taxes.

the bank said. The Penn Square

loss amounted to \$45 million be-

fore taxes, but Chase said that its

investigation was continuing and that the figure was preliminary.

Fed Loans to Penn Square

WASHINGTON (Reuter) --Federal Reserve Board Chairman

Paul Volcker said Wednesday that

Penn Square Bank borrowed about

\$26 million from the Fed's dis-

count window in the two days be-

Banking Committee that the loans were fully secured and added, "We

will certainly be repaid in full." He

said Penn Square borrowed \$20 million two days before it failed and just under \$6 million the fol-

Mr. Volcker refused to answer a

question about how much Abilene

National Bank of Texas has bor-

rowed recently from the discount

Mr. Volcker told the House

Square.

fore it failed.

lowing day.

# McNamara Suggests the Creation Of a Central Bank for the World

BALTIMORE - Former World the health of the global economic Bank President Robert S. McNamara has suggested the cre-ation of a world central bank to ments in government financial act as a lender of last resort and an management. insurer of banks that make risky loans to developing countries.

Mr. McNamara on Tuesday told the 1,600 delegates to a world conference of the Society for International Development that such a central bank would support the world banking system and encourage loans to developing nations.

Because of the debt load of

some Third World and Eastern

European countries, raising the threat of default in some Latin American, African and Eastern nanons, private banks have been wary of lending more money.

The international banking system also has been strained by the failure of the Penn Square Bank and Drysdale Government Securities in the United States, by the

difficulties of Italy's Banco Am-brosiano, and requests by Poland and Romania for debt reschedul-There are also wornes that the massive debts run up by Eastern European, Latin American and Third World countries have increased the exposure of some banks in the United States, West-

em Europe and Japan to danger-Mr. McNamara chairman of the Overseas Development Councit in Washington, did not spell out-how such a bank might be organized, but in a telephone interview before his address, he said it ed creditors to a meeting in Loncould take the form of an expanded version of the International said Wednesday. Monetary Fund or an entirely new

organization.

system, which he said is being en-

'Mr. McNamara, who headed the World Bank for 13 years, made no specific mention of President Reagan's economic program, but he said, The interdependent world system continues to be eroded by contradictory fiscal and

monetary policies."

Mr. McNamara, a critic of U.S. aid cuts for development agencies, said the world system was "in dan-ger of being unraveled by a series of experiments in aid cutting, fiscal management, mercantilism, a drastic reallocation of functions between public and private sectors and much else."

He said that unless these experiments ended and rising trade pro-tectionism was stopped, the "pres-ent worldwide stagnation could continue indefinitely with short upturns frustrated by self-serving Mr. McNamara said that even if

worldwide stagnation were avoided, there would be massive eco-nomic problems in the next decade, particularly in Asia and Afri-

Ambrosiano to Meet Creditors

MILAN (Reuters) - The stateappointed commissioners that have been running Banco Ambrosiano since the disappearance and death of Roberto Calvi have invitdon July 29, a bank spokesman

The Milan-based Banco Ambrosiano, Italy's largest private bank,

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**CURRENCY RATES** 

Interbank exchange rates for July 21, excluding bank service charges.

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# **EEC Seeks Approval** To Curb U.S. Exports

GENEVA - The European Eco-

nomic Community, charging it has lost more than \$2 billion in trade since 1972 due to unfair U.S. tax laws, Wednesday asked for international authorization to retaliate by raising tariffs on U.S. imports.

General Agreement on Tariffs and Trade, under which international tariff levels are set, withheld a decision on the EEC request. It opted instead to resume discussion of the dispute at the next council meeting in October.

council meeting, GATT spokes-man John Croome quoted EEC trade delegate Roderick Abbott as saying the sum represented trade losses suffered up to last year by EEC companies through Washington's Domestic International Sales Corporation program. DISC was launched in 1972 to boost U.S. exports through a partial tax defer-

Mr. Croome said David Mac-Donald, the U.S. deputy trade negotiator, insisted that DISC did



Robert S. McNamara

# ed by the 87 countries subscribing to GATT. Mr. MacDonald was

vantages similar to those enjoyed by Western European companies. Since its creation, DISC has The Governing Council of the

Briefing reporters on the private

Statistics Index AMEX prices P.10 Firms Rate Notes P.17 RYSE Prices P.8 Gold Markets P.11 Connections P.11 Holes & Lows P.11 Onvidends P.11 U.S. Money Rates P.11 U.S. Money Rates P.11

#### Markets Closed

Banks and markets were closed in Belgium Wednesday for a naquoted as saying that DISC only gave American exporters tax ad-

been a frequent target of criticism by the European Community, which previously has asked for its abolition or substantial changes to modify what it claims is, in effect, an unfair subsidy for U.S. exports. Mr. Abbott was said Wednesday to have indicated that the EEC was prepared to withdraw its request to be freed from GATT-set tariff concessions on U.S. goods if Washington obliged its earlier re-

The GATT council had closed the issue last December. But the EEC, stung by Reagan administration moves to curb imports of European steel and to ban European companies from using U.S. technology for the Soviet-West Europe pipeline, resumed its attacks this spring, asking the panel to endorse its view that DISC is illegal.

# Losses Bring Shake-up of Management at Chase New York Times Service NEW YORK — Chase Manhat-

tan Corp. has asked two senior executives to resign and accepted the resignations of seven lower-rank-ing officers as a result of losses on transactions with Penn Square Bank and Drysdale Government Securities Inc.

As part of the reorganization, disclosed Tuesday, William R. Hinchman Jr., a 49-year-old executive vice president, was asked to re-sign. Mr. Hinchman, who moved last fall to the nationwide positioning group, a research operation that seeks opportunities for expansion, previously had been in charge of the institutional banking divi-sion, which dealt with both Drysdale and Penn Square.

Wayne G. Hansen, 51, a senior vice president, was also asked to resign. Mr. Hansen was head of correspondent banking within the institutional banking group.

Richard J. Higgerson, 40, an ex-ecutive vice president who had headed the institutional banking, trade and export finance and secured-lending departments, was demoted and assigned to the nationwide positioning group. Mr. Higgerson, who had been described as a "rising star" within the bank, was one of Chase's 10 highest-ranking officers.

The resignations of three lowerranking officers were previously reported. Two of them were Rich-ard Pinney, 40, a vice president in the correspondent banking divi-sion, and Margaret Sipperly, 27, a vice president who reported to Mr. Pinney. Both were involved in Chase's relations with Penn Square. Their resignations were tendered last week and accepted by the bank Tuesday.

Earlier, Peter J. Demmer, who was directly involved with the securities firm, offered his resignation, which was formally accepted Tuesday. Four lower-ranking officers also resigned, but their identiues could not be learned.

"It's a positive sign that man-agement took firm, decisive action in dealing with the problem," said George Salem, a bank stock analyst for Bache Halsey Stuart & Co. In the Drysdale case, which be-

## Continental Illinois Reports Deficit

CHICAGO — Continental Illinois Corp. reported Wednesday a \$61million second quarter operating loss reflecting its involvement in loans

with Penn Square Bank Continental's loss compared with earnings before securities transactions of \$58.1 million, or \$1.47 a share, in the second quarter of 1981.

Roger E. Anderson, chairman and chief executive officer, estimated that Continental would have reported quarterly earnings before security transactions of \$51.2 million had it not been for the failure of the Okla-

Income before security transactions for the first half was \$10.8 million, or 27 cents a share, down from \$120.1 million, or 90 cents a share, a year earlier.

Continental said net credit losses in the second quarter came to \$82.2 million, of which \$45.1 million related to Penn Square. The bank's total nonperforming credits, those on which it receives reduced or no interest, amounted to \$1.3 billion, or 3.7 percent of its loan portfolio.

"In addition to the massive and continuing examination of our loan participations with the Penn Square Bank, we also have reviewed other elements of our loan portfolio," Mr. Anderson said: "As a result, we believe that the Penn Square loan participations represent a unique

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came public in May, Chase had acted as a middleman in the trading of government securities between securities firms. It channeled about \$4 billion of such securities to Drysdale, whose own funds amounted to only about \$5 million. Drysdale apparently used the

borrowed securities to speculate unsuccessfully in the money markets. As a result, it was unable to meet about \$285 million in interest payments owed to the owners of the securities. Chase agreed to make the pay-

ments, although it contends that it is unclear whether it or the lenders of the securities should sustain the

In the Penn Square case, Chase bought about \$212 million in loans nerated by the Oklahoma bank, which had assets of about \$500 million. Most of these loans were

cent declines in energy prices. Moreover, fraud is suspected in at least some of the loans, and the Federal Bureau of Investigation is studying the case.
As expected in light of the Penn

Square and Drysdale losses, Chase announced Tuesday a loss for the second quarter. Several analysts said that the loss, \$16.1 million, was smaller than had been expected. (In the July 21 edition, the size of the loss was incorrectly reported.) Chase shares rose \$2.50 Tuesday, to close at \$36.75.

"Chase, despite some problems, is a very strong institution," said Thomas H. Hanley, a vice president and bank stock analyst of Salomon Brothers.

Chase officials declined to comment on either the earnings or the management changes, but in its earnings report the bank for the to small oil and gas producers and first time released specific figures



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U.S. Utility Awards Deal

NEW ORLEANS — Babcock & Wilcox, a subsidiary of McDermott, has received a \$47-million contract from American Electric

Power to build a 1,300-megawatt

universal pressure boiler and two

auxiliary boilers at the utility's

Rockport, Ill., plant, McDermott

said Wednesday.

By Ernest Holsendolph

# New Eurobond Flood Continues; Total for 3 Days Tops \$1 Billion

LONDON — Spurred by declin-ing interest rates, the flood of new paper in the Eurobond market continued Wednesday, with the equivalent of more than \$350 million in new bonds being issued.

But dealers said that the mar-ket's appetite for the new issues began to fade somewhat Wednesday, as the total for the week climbed over the \$1 billion mark Overall, Eurobond prices were

aided by the fall in interest rates, they said One-month Eurodollar rates dropped to 12.44 percent Wednesday from 12.94 percent Tuesday, and were sharply lower than the 1431 percent of last Wednesday. The average rise in bond prices was about 12 point. dealers said...

On many of the issues that have been brought to market this week, However, gray market participants were quoting discount prices rang-ing from 98% to 99.

Trading Wednesday basically consisted of professional switching between the new bonds and other recent issues, dealers said. Here are Wednesday's new is-

Canadian Pacific Securities is coupon and pricing was indicated

Compiled by Our Staff From Dispatches
NEW YORK — Gold prices
surged in Europe Wednesday before shipping back in New York.

Signs of lower interest rates

helped push the price to a five-month high in London Wednes-day. The metal closed at \$365.75

an ounce, up \$13.50 from Tues-

day's close; it was the highest fin-

ish, since Feb. 25, when bullion

In Zurich, gold soared \$17 an

ounce to close at \$362.875, a three-month high. Earlier Wednesday, in

Hong Kong, gold rose \$12.30 to close at \$358.29.

In New York, however, gold for

delivery this month settled on the Commodity Exchange at \$355.40, down \$3.90 from Tuesday.

Dealers in London and Zurich

said trading was active. One Zurich dealer said: "The market

**Pound Gains** 

closed at \$366.75.

raising 375 million with a seven-year Eurobond, lead managed by July 29, it added. The gray market Goldman Sachs International and Salomon Brothers International

Guaranteed by Canadian Pacific Enterprises, the notes have a 15 percent coupon and are priced at par. The issue was quoted on the gray market at a discount from issue price of 11/2. This compared with the total underwriting commission of 1.88 percent

• A \$100-million 10-year note was issued by Eldorado Nuclear of Canada, lead managed by Salomon Brothers, Dominion Securities and Wood Gundy. It had a 14½ percent coupon was priced at 99% percent to yield 14.67 percent. The Canadian province of Newfoundland issued a 575-million Eurobond with a coupon of 151/2 percent, lead manager Crédit Commercial de France said. The issue price of the eight-year bond will be announced later, a bank

spokesman said. • Banque de l'Indochine et de Suez is raising \$60 million with a seven-year Eurobond, co-lead managed by itself and Continental Illinois.

The bond carries a 15% percent

discount rate, dealers said.

larger-than-expected rise of 1.7

gross national product, the dealers

Deutsche marks, its lowest level in

The dollar finished at 2,4290

percent in second quarter U.S.

price was also a 1½ discount Wednesday, dealers said.

• In the Deutsche-mark sector. Standard Bank of South Africa issued a four-year, 50 million Deutsche mark Eurobond bearing a 10% percent coupon and priced

The issue was managed by Baverische Hypotheken und Wechsel-bank. Dealers said that the high coupon suggested the bonds were probably intended for the bank's private clients.

• A seven-year, 100 million Deutsche mark private placement for Sperry Rand was launched, led by Berliner Handels und Frankfurter Bank. The issue bears a 91/2 percent coupon and is priced at

Expected to be announced Thursday was a \$50-million issue for the Mexican industrial development bank, Nacional Financiera. Market sources said the threeyear issue is expected to carry an 18% percent coupon and be priced at par. The lead manager is believed to be Lloyds Bank Interna-

Gold's Price Declines After Surge eral Reserve could again cut the pound rose to \$1.7562 from \$1.7402. In Tokyo, where trading ends before it starts in Europe, the dolconsiderations outweighed the possible positive implications for the dollar of the lar fell to 253.75 yen from 255

Tuesday. The rate on federal funds overnight reserves banks lend one another - dropped to 104 percent Wednesday from Tuesday's aver-Deutsche marks, its lowest level in over a month, compared with a often volatile on Wednesdays, the close Tuesday at 2.4515. The

# Merc, Singapore Study Futures Cooperation

SINGAPORE - Singapore and will tackle the financial guarantee the Chicago Mercantile Exchange of trades, the mechanics of clearsaid Wednesday they plan to study the possibility of setting up a fu-

tures market in Singapore.
The study, which will focus
largely on financial futures contracts, will also look into the feasibility of linking futures trading between the two centers.

The launching of the study was announced jointly by the Merc of the Moslem holy month of and the 13-member Singapore Fi-Ramadan and said Middle East nancial Futures Working Party, traders were expected to return to which groups banks, brokerage the market in force again. and commodity houses here.

The two sides have appointed Merc executive vice president Beverly Splane to head the study, which is expected to take about four months.

Sources close to the working

ing and margins between positions on a Singapore exchange and those of the International Money Market in Chicago. "In addition to development of

a Singapore futures market during Singapore business hours, another objective of the study will be to determine the feasibility of creating an evening trading session in Singapore to coincide with the hours the IMM is open," the statement said.

The bank was commissioned early last year by the Monetary Authority of Singapore to carry, out a feasibility study on establishing a financial futures market here.

MAS official sitting in on its meet-

tion," Mr. Gandois said. Response to the idea from the island's financial community was favorable and in February the working party was formed with an



Jean Gandois

### French Plan Is Criticized By Executive

PARIS — The former president of the Rhône-Poulenc chemical group Wednesday said he resigned because the Socialist government's nationalization of key industries is unrealistic and is driving them into heavy debl

The scathing criticism by Jean Gandois in his letter of resignation was made public hours before the Ministry of Industry appointed Loik Le Floch-Prigent to succeed him as chief executive officer of Rhône-Poulenc.

Mr. Le Floch-Prigent, 39, was former cabinet director of the Industry Ministry under Pierre Dreyfus, the ministry announced.

Industry Minister Jean-Pierre hevenement announced Tuesday he had accepted the resignation of Mr. Gandois, 54, who had headed Rhône-Poulenc since June, 1979, after joining it in 1976.

He was only one of two compamy presidents retained after the nationalization of the chemical industry last February. In so doing, President François Mitterrand overrode protests from the Communist-led Confederation Générale de Travail, who blamed Mr. Gandois for previous layoffs at Rhône-Poulenc.

"I am convinced that the [government's] policies contain too many contradictions to be realistic," Mr. Gandois said in his resignation letter, which he submitted to the Industry Ministry June 18. The government continues to announce objectives that will be

He said Mr. Mitterrand's plan for increased investment spending to create new jobs for the 2 million unemployed will force companies

impossible to achieve."

Nationalized companies "will not be able to play, on the eco-nomic and social front, the lead role that has been assigned to them, and that was the principle justification of their nationalizaCongressman Abandons Bid to Rein In AT&T the Bell System that are to be spun off by the parent company.

مكداس التعمل

New York Times Service Reading from prepared remarks WASHINGTON - The chairat a meeting of the House Comman of the House telecommunicamittee on Energy and Commerce, Rep. Wirth said: "In the short run tions subcommittee Tuesday abandoned his efforts to pass a bill that AT&T has won a tactical victory would toughen the terms of the anby stopping this bill this year. But titrust settlement that the Justice AT&T's victory is a major setback Department reached with Amerifor the American people and for a can Telephone and Telegraph Co. telecommunications industry that is one of the fastest-growing and Rep. Timothy E. Wirth, a Colomost productive segments of our economy. AT&T is preventing Congress from making the decirado Democrat, attributed his decision to a campaign of "fear and

distortion" that he said AT&T sions that are ours to make." waged against the bill. Its cam-Rep. Wirth's decision was a vicpaign delayed action on the bill, he tory for AT&T, which had pledged said, beyond the point at which to try to defeat the measure after it there would be enough time in the was adopted by Rep. Wirth's subcurrent legislative session to pass it committee, 15 to 0, on March 25. and reach agreement with the Sen-ate. Rep. Wirth said the phone It was also a triumph for Rep. Tom Corcoran, an Illinois Repubcompany had refused to comprolican, who had maneuvered to delay the bill, saying it was bad for his constituents who work for Without legislation from Congress this year prescribing new rules for the telecommunications AT&T in suburban Chicago.

In response to Rep. Wirth's industry, the industry faces the move, Kenneth Whalen, executive prospect of a big reorganization to be brought about by the sweeping divestiture plan fashioned by AT&T and the Justice Departvice president of AT&T, said, "It is no secret that we have been active in voicing our concern over legislation which would roll back ment, possibly modified by Judge consent decree we signed with Harold H. Greene in Federal Disthe Department of Justice even betrict Court here. A decision from fore the court has a chance to act Judge Greene, who must approve on it, but we have been just as vo-AT&T's plan, is expected shortly. cal in advocating that Congress es-Rep. Wirth and other proponents of the legislation said a bill

#### was needed to protect telephone French Bankruptcies customers against sharp increases in their bills and to protect the 22 Up Sharply for June regional telephone companies of

The Associated Press PARIS -- The number of corporate bankruptcies, liquidations and legal settlements in France rose to a seasonally adjusted 2,070 in June, up from 1,682 in May, the National Statistics Institute said Wednesday.

Although June's total was still

below its year-earlier level of 2.184, the institute said, the size of the increase appeared to indicate that the pace of corporate failures was accelerating.

tablish a comprehensive national

telecommunications policy." Rep. Corcoran used parliamen-tary delays against the bill before the July 4 break and afterward helped to organize a torrent of amendments to the bill. Although most of them were defeated, they kept the bill tied up until Tuesday.

Rep. Corcoran said there was

still a chance for a smaller, modified telecommunications bill this year — mostly along lines suggest-ed by Mark S. Fowler, chairman of the Federal Communications Commission. Such a bill would include a provision clarifying the jurisdiction over the spun-off Bell companies after the settlement is carried out. Another provision would give the FCC clear jurisdiction over long distance service on an intrastate basis. Under present law, the commission regulates only interstate toll service.

Asked how legislation might still be salvaged, with Rep. Wirth having given up for this year, Rep. Corcoran said: "Tim is upset, but he'll get over it. If no one else does so, the publishers will come to him to the same than the same to him. and say they still need legislation to protect themselves from compe-tition with AT&T, which will pro-

vide some impetus toward a short

Rep. Corcoran was referring to key provision in the legislation that would have restricted AT&T, after the divestiture, from providing its own information services in competition with publishers and other private companies. The bill would have restricted Bell to a role of supplying communications links between customers and companies that supply information.

In favor of the bill were several telephone companies that compete with AT&T, including GTE Corp. and Continental Telecom, as well as large users of telephone service and many state regulators of tele-

phone service. Lined up against the bill, besides AT&T, were the 600,000member Communications Workers of America and MCI Communications Corp., a company that provides long-distance phone service.

Sam Simon, director of the Na-

tional Citizens Committee for Broadcasting, a public interest group, said of Rep. Wirth's action: This means, unfortunately, that the script for telecommunications policy will now be written by AT&T."

#### Pan Am Chief Says Carrier **Became Profitable in June**

NEW YORK -- Pan American World Airways was profitable in June for the first month in the last 22 and expects to record a profit for the third quarter, Chairman C. Edward Acker told analysts Wednesday.

He said Pan Am will sell all 12 of its Lockheed Corp L-1011-500 aircraft and continue to reduce its Boeing 727-100 fleet. Pan Am reported Wednesday a

second-quarter loss of \$56.2 million, about half the \$112 million deficit of the year-earlier quarter.

Revenue rose slightly to \$969.5 million from \$966.2 million. For the half, the loss totaled \$183.5 million compared with a loss of \$217.6 million a year earlier. Revenue was \$1.82 billion, down from \$1.84 billion

The average number of shares outstanding in the first quarter rose to 72.7 million from 71.2 mil-

Pan Am said both half and quarter figures for 1982 reflect a gain of \$14 million from sale of tax credits on three Boeing 727-200 aircraft.

#### **United States** COMPANY REPORTS American Airlines 2nd Quer. 1992 1991 Sevenue ..... 1040. 1,050. Profits ..... 0.47 224 Shorts ..... 0.47 204 Revenue and profits, in millions, are in local currencies 1961 424,2 80,1 0,76 1961 924,4 172,8 1,66 Raista 3rd Quar. Trans World 2nd Quar. 1982 Revenue .... 1,530, Profits ...... 41.6 Per Share .... 1,65 Cont. Illingis Quer. 1992 Net.... loss61.0 Fe Ind. losa63.1 Dow Chemical 2nd Quar. 1992 Revenue ..... 2,738. 3 Profits ...... 197.8

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Management of the control of the con

seems generally looking toward lower interest rates and a lower dollar." Lower interest rates make currencies less attractive as an investment and enhance the position The Zurich dealer also noted that Wednesday was the last day

Gold's rise began Tuesday in New York as short-term U.S. in-

terest rates fell sharply. Eurodollar rates were also down. The dollar was weaker. In Lon-

don, the dollar slipped on a decline in the federal funds rate; expectations that U.S. money supply rive in Singapore soon to begin growth will be moderate in coming work, although no definite timetamonths and a belief that the Fed.

Itel Runs Into Slump as It Emerges

(Continued from Page 7)

Itel may wait until next year if the economy does not improve.

Mr. Kunzel, 73 years old, had been chief executive officer and the reorganization trustee of Westeate California Corp., a San Diego conglomerate that emerged from bankruptcy proceedings earlier

this year. The complexity of Ite's reorgan-ization resulted from the speed and severity of its collapse. Through most of the 1970s, the company expanded rapidly in its capital-intensive but highly profit-able equipment-leasing businesses. To bankroll the growth, it relied on income from the sale and leas-

The bottom dropped out of the computer business in January, 1979, when International Business Machines Corp. introduced a line of faster, more efficient computers. The equipment sold and leased by Itel was a combination of earlier IBM systems and equipment de-signed to be "plug-compatible," meaning it worked like and could be used with IBM systems. Virtually overnight, the new IBM com-puters made Itel's equipment obso-

ing of computer equipment.

in 1979, compared with net income of \$21.5 million, or \$1.46 a share, the year earlier. Part of the reason that Itel fell so rapidly was that clients that leased computer equipment had the option of returning that outmoded equipment before their leases expired. Nearly all Itel's clients took that option soon after IBM introduced its new

Itel had some \$300 million in insurance against losses in its com-puter business, underwritten by Lloyd's of London Lloyd's had pledged to reimburse Itel for losses it sustained through early termination of computer leases. But after the underwriters reimbursed the company for about \$7 million in losses that year, Lloyd's balked, contesting its liability to Itel on several grounds. Among other things, Lloyd's charged that Itel had failed to exercise "due dili-

gence" in avoiding losses.

Thus, when Itel filed its petition in federal bankruptcy court in January, 1980, the company's chances of successful reorganization appeared dim. Its bank debt of \$1.2 billion exceeded its assets by \$207.8 million.

The company also faced fawsuits filed on behalf of more than 8,000 shareholders, who eventually showed damages of more than \$200

Emerging from 18 months of ne-gotiations — which have cost more than \$5 million in fees to lawyers, investment bankers and consultants — are preliminary agreements with Lloyd's and with the commit-

that money, but the plan stipulates that Itel would keep about \$25 mil-

lion in unsecured debt to more er business, than 100 banks, suppliers and oth-Due Diligence" on its assets. This group of unleading a team of 13 lawyers representing the holders, said "good ment of \$654 million in cash, pre-

million. The suits charged that the company had issued financial reports with false information on profits, financial condition and

**Keeping \$25 Million** 

Among the assets sold by Itel were its computer equipment business, 15 cargo ships and six aircraft. The proceeds of these transcraft. The proceeds of these trans-actions, interest accrued on bank separate subsidiary in rail freight accounts and revenue from its surviving businesses have given it \$300 million in cash. If its reorganization plan is approved, Itel's creditors would claim the bulk of

ferred stock and bonds.

tees representing Itel's lenders.

lion to finance its remaining busi-nesses. In December, an agreement was The biggest element in the company's reorganization is the preliminary agreement, submitted in February, to satisfy Itel's \$900 milers that made loans to the company that were not secured by liens

ers would receive 79 percent of the common shares in the reorganized company. Because of that large holding in Itel, the lenders would "get a better return if the company does well," said Chaim Fortgang, a New York attorney with Wachtell, Lipton, Rosen and Katz, who has represented Manufacturers Hanover Trust Co., one of Itel's largest

creditors. Itel's other major creditors, institutional investors that provided loans secured by liens on rail cars, hold about \$330 million of the company's notes. In an agreement cars and railroad equipment that would eventually pay off the debt. The secured creditors, in return, gave Itel the option of deferring up to \$40 million in payments on the debt.

debt until 1988 if the company does not achieve a specified level to pay Itel \$4 million and settle

other claims for payments with the banks that financed Itel's comput-As for more than a dozen suits brought by shareholders, David Gold, a San Francisco attorney

progress" has been made in negoti-

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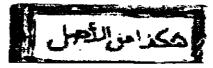
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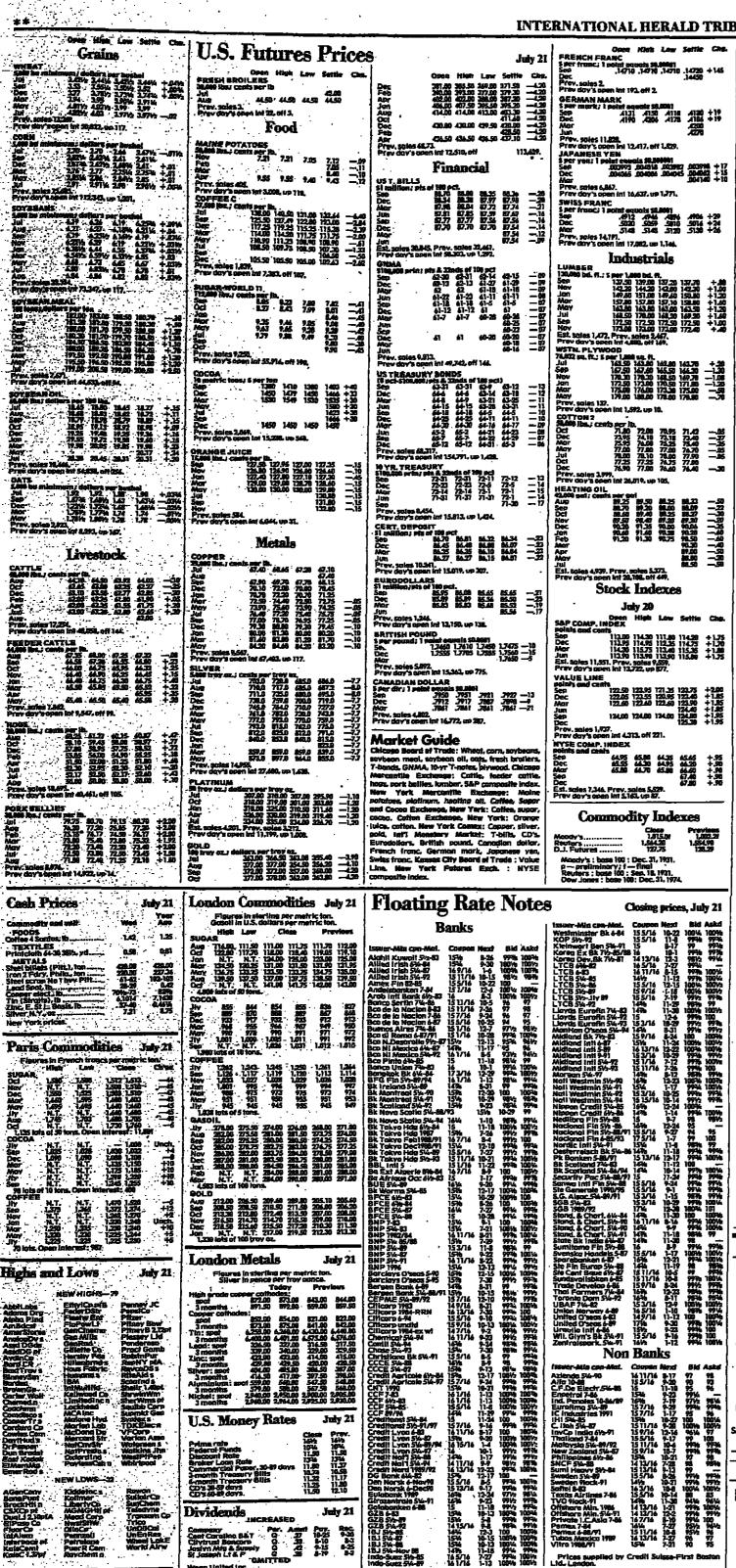
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# Akzo, Dutch Officials In Financing Accord

NEW LDWS - 32

ARNHEM, Netherlands — Akzo said Wednesday it plans to go ahead with a 600-million-guilder (\$221 million) aramid fiber project in the northern Nether-lands after agreement with the Dutch government on financing Economics Minister Jan Terlong said in a letter to Parliament that the state will provide 300 million guilders for the project. The state-owned Noordelijke Ontwikk-clings will take a 50-percent stake in the 130-million-guilder share capital of a joint venture with Akzo's Enka. The state will also grant a 100 million guilder subor-dinated loss through the Nation-ale Investeringsbank, while anoth-Hong Kong S2.13 257.75 -13.20
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New York 266.50 for Lendon Paris and Lucambours evening and clasing prices for Hons-Kong and Curich, N.Y. Hondy & Harman, U.S. dollars per auxocs. er 135 million guilders will be provided in the form of investment premiums, Mr. Terlouw said.

# Thai Refinery to Expand

DES PLAINES, III. - Procon international, a division of the Sig-International, a division of the Sig-nal companies, said Wednesday its Paris-based, subsidiary, Pro-cofrance, has signed a contract with Davy McKee Corp. of Lon-don and Technin of Paris to ex-pand the Sr. Racha, Thailand, re-linery of the Thai Oil Refining Corp. It said the construction is 1. 1. Qual to Mont-Blanc

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27.00-24.00 13.00-14.00 8.00-10.50 5.00-7.00

300-450

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For three months, July 15, 1982 to October 14, 1982, the notes will car-ry an interest rate of 14,75 percent

The interest due October 15, 1982 against coupons No 13 will be U.S. \$37,69 and has been computed on the actual number of days elapsed (92) divided by 360. The principal paying agent.

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Shareholders in the Fund are advised that payment of a dividend of U.S.\$.85 per share for the year ended March 31st, 1982 has been approved by the Annual General Meeting held on July 19th, 1982. Coupon number 13 on bearer share certificates will be paid on presenta-tion at the offices of the Paying Agents on and after July 22nd, 1982. Cheques will be posted to holders of registered shares on that date. Copies of the Report of the Fund for the year ended March 31st, 1982 will be available at the offices of the banks and brokers from whom shares were purchased and at the offices of the Paying Agents.

July 22nd, 1982.

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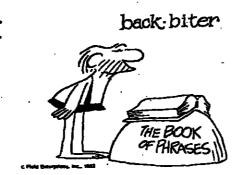
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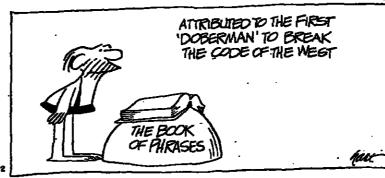
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THAT'S RIGHT... A CHOCOLATE CHIP COOKIE WAS TALLING YOU, BUT IT MADE so much noise, I ATE IT!















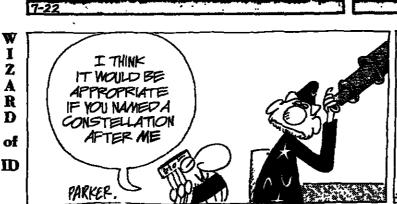










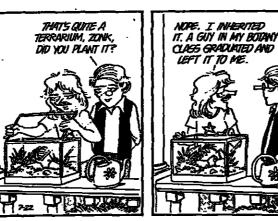


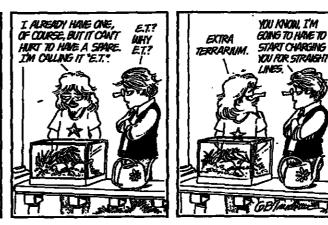


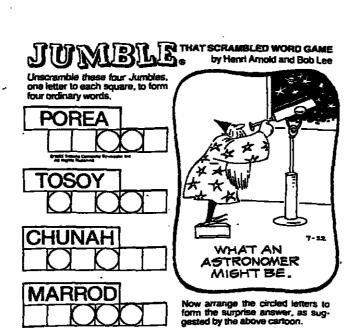


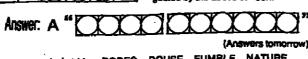


**DENNIS THE MENACE** 









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CAN JOEY STAY FOR DINNER? HE'S REAL EASY TO

### **BOOKS**

UNDER THE APPLE TREE

Reviewed by Jonathan Yardley

school. It's an idyllic existence, in a

place "where life went on like it was supposed to, with people mostly behaving themselves, working and playing ball and listening to the radio

after supper and going to church on Sundays, like God intended." Then the Japanese attacked Pearl Harbor, and the peaceful little world suddenly

Roy, an indifferent scholar at best,

decides to volunteer at once for the Marines in order to escape the embar-

rassment of failing to graduate as scheduled. In his last weeks at home he falls in love with Shirley Colby, a

beautiful and previously unattainable cheerleader, and she with him; when

he comes home on leave after basic training their love affair becomes in-

tensely physical, as a curious Artie

discovers when he tracks them down

at their favorite spooning spot. They

become engaged, against the strenu-ous objections of Shirley's parents; Roy heads off for San Francisco and

unknown points east with the admoni-

tion to his brother to "keep an eye on

Nostalgic Recreation

a song achingly familiar to anyone old enough to remember World War II:

"Don't sit under the apple tree/With

anyone else but me/Till I come marching home." The novel, his fourth, is a nostalgic recreation of

what life was like on the small-town

home front for a 17-year-old girl who desperately misses her siance and for the young boy whose "duty" it is to guard her for his brother. It is a recol-

lection of a time when the strains and

dislocations of war forced boys and

girls to grow up much faster than they

ought to. In other words, the territory

will be instantly recognizable to any-one who has read "Summer of '42" or

Dan Wakefield takes his title from

the future Mrs. Roy Garber forme."

changes.

By Dan Wakefield. 342 pp. \$13.95 Delacorte, 1 Dag Hammarskjöld Plaza, New York, N.Y. 10017.

seen the movie adaptation of it; Wakefield is not exactly guilty of originality. Still, "Under the Apple Tree" is an agreeable and occasionally moving book. THE time is the late fall of 1941.
Artie Garber, who is 10 years old, lives in the small Illinois town of Birney with his parents and his 19-year-old brother, Roy, the football and basketball hero of the local high school. It's an idvilie existence, in a

ing book.

To his credit Wakefield declines to sentimentalize either the war or the home front. He recalls the "slacking" that took place as the war entered its third and fourth years and Americans found it increasingly difficult to maintain the vigilance and sacrifice that the national effort demanded. Though Roy serves heroically in the South Pacific, there is nothing heroic about the ultimate resolution of his wartime experience: that resolution is, in fact, perience; that resolution is, in fact the most unexpectedly moving part of the novel. War is exhausting and de-bilitating for all; as the conflict draws to a close. Artie has grown up enough to understand that it is time to move

"In the secret, most selfish part of his mind, Artie was glad the A-bomb had ended the war because he was sick and tired of it. He knew he'd remember Pearl Harbor' the rest of his life, but it seemed now part of his childhood, along with the patriotic songs and the drives for Bonds and scrap, the rationing stamps and Gold Stars hung in the windows of homes where boys would not return. All that seemed like a dream already, and Artie was ready for the real things of life, like high school and girls."

As that paragraph suggests, the chief weakness of "Under the Apple Tree" is its uncertain narrative tone. At times Wakefield writes in the clumsy language and syntax of a preadolescent boy; at others, in the more distant and mature voice of the om-niscient author. It's a problem that almost always vexes the novelist who chooses to write about a child but declines to let the child tell the story, and Wakefield fails to resolve it. On balance, though, "Under the Apple Tree" is a pleasant little book that is appealingly earnest and direct.

Jonathan Yardley is on the staff of The Washington Post.

putter in her garden.

#### THE ANATOLIAN

By Elia Kazan. 436 pp. \$15.95.

Knopf, 201 East 52nd St., New York, N.Y. 10022. time watching the dreadful woman

Reviewed by Christopher Lehmann-Haupt

THERE are moments, especially in the first half of "The Anatolian," when one cannot help thinking that with his sixth try at a novel. Elia Kazan, still better known as a film and theatrical director, has finally gotten the medium under control. There is, for one thing, the vigor and vividness of his characters — to mention but a few of them, the Anatolian himself; Stavros Topouzoglou, a Greek from Turkey who has worked a decade as a poorly paid salesman for a New York rug merchant in order to bring his family to the United States; Althea Perry, the beautiful Protestant girl from suburbia whom the ill-spoken Stavros is drawn to as his passkey to American culture, and old Fernand Sarrafian, the charming and mysteri-ous millionaire whom the arrogantly ambitious Stavros sees as his step-

ping-stone to wealth and power. There is, for another thing, Kazan's uncanny ear for dialogue. This not only stamps his characters individually, but also helps to bring alive some of the more unusual scenes. Yet even at the best moments, there are subtle hints of technical problems to come. At first, Kazan's complete reliance on dialogue in certain scenes appears innocent enough. It seems at worst merely a manneristic and meaningless shift in narrative tone and at best a useful means of animation, because it forces us to visualize the action exclusively through what the characters are

saying. And at first, Kazan's tendency to lay things on a little thick isn't bothersome. Indeed, we take a certain satisfication albeit a charactel one when faction, albeit a shameful one, when in revenge for his mistreatment by her parents, Stavros takes Althea forcibly on her mother's bed while at the same

Solution to Previous Puzzle



But eventually these tendencies get out of control, and lead to a fatal loss of tone and proportion in the novel's most important scenes. In one of these, we are asked to believe that Stavros can listen to a retirement speech that is about to turn into an attempt on his life and at the same time welcome two compatriots who have just arrived from Greece with the news that one of Stavros' brothers has lost an arm in the guerrilla wan against the Turks. And at the novel's climax, we are

offered an aborted wedding in the wake of which Stavros gets involved in a fight with Fernand's chanffent, Fernand bites Stavros on the seck and nearly loses his dentures, the mother of the bride-to-have-been keeps blushing at the thought of having seen Stavros cohabit with her daughter, one of the guests pretends to read the sonnets of Elizabeth Bar-rett Browning and the groom to have-been drives his car into a tree and puts himself in the hospital, where everyone is finally reconciled.

#### Drawing-room Farce

What has begun as an immigrant epic has diminished to drawing room farce, a cheerless echo of "You Can't Take It With You." Perhaps a camera could make sense of this chaotic activity, but mere dialogue and a minimum of descriptive prose has not

Also, certain questions remain teas-ingly unanswered. Who is responsible for Althea's pregnancy? Will Stavros succeed in his commercial invasion of the Middle East? Will the Greeks regain Anatolia from Turkey? Will the British prove reliable in supporting the invasion? Is money really the only key to power in America, or is Stavros too much a victim of hard knocks! And will Kazan learn to give his read to the ers more credit for catching on to the obvious, or will be continue to play to the dullest groundling in his andi-

I have a feeling we are going to learn the answers to these questions. If "The Anatolian" is the sequel to Kazan's first novel, "America Anatolica," can the sequel to "The Anatolica," an" be far behind? Probably not And considering the passion and vigor of this latest novel and the fact that for all its faults, it is still the author's most accomplished work to date, out even looks forward with a modest degree of expectation to whatever is going to happen next.

Christopher Lehmann-Haupt is on the staff of The New York Times

#### **BRIDGE**

By Alan Truscott

ON the diagramed deal the final jump to four spades was en-terprising, but was based on the as-

terprising, but was based on the assumption that all the high cards in the South hand would puil their weight. The strength in partner's diamond suit was particularly encouraging.

Prospects declined sharply when West doubled, hinting at a bad break. But the double guided South toward the winning line of play. The opening heart lead was won by East, who shifted to the club king. South won with the ace and led a low trump, winning with the queen since West was obliged with the queen since West was oblige to duck.

A normal play at this point would have been to lead the spade king, hoping for even breaks. But an even trump break was most unlikely in light of the double, so South took the next four tricks with alternating heart: rounds of diamonds, ending in dummy, as West followed helplessly.

West was reduced. and club ruffs. She then took three and club ruffs. She then took three South West cands of diamonds, ending in dum Pass Pass y, as West followed helplessly.

last club. The trump jack was still guarded in the closed hand, and scored the last trick to give the declarer a well-earned contract.

> NORTH **◆KQ6 ₹Q174** QA8765

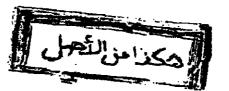
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SAN DIEGO John MonMike Scioscia, his third.

Sox and their first over LaMarr terasto and Luis Delcon mursed a two-hinger, and Terry Kennedy homered at the San Diego Padres snapped a five-game losing streak Tuesday night with a 2-0 victory over Steve Carlton and the Philadelphia Phillies.

Montefusco (8-5) retired his first 13 batters. He allowed both hits helore leaving in the seventh for a pench hitter. Del con got his ninth

Carlton (12-8), seeking his 275th major league victory, lost despite giving up only six hits. His eight

BASEBALL ROUNDUP strikeouts gave him 160, tying him with Cincunati's Mario Soto for

the National League lead. Kennedy hit his 11th homer in the second inning and two errors by the Phillies led to an unearned run in the fifth. Luis Salazar singled with one out, and shortstop Ivan DeJesus bobbled Broderick Perkins' grounder: Carlton then fielded Montefusco's bunt, but threw wild to third and Salazar

Braves & Cardinals 6

In St. Louis, Claudell Washing-ton completed a three-run fifth-inning rally with a two-run single as Affanta beat St. Louis, 8-6: The Braves got five runs in the first, only to have the Cardinals score six in the bottom of the inning four on Willie McGee's grand slam, his first home run in the ma-

Dodgers 10, Expos 1

In Los Angeles, Pedro Guerrero homered and doubled twice to drive in five runs as Los Angeles overwhelmed Montreal, 10-1. Jerry Reuss (10-6) struck out eight and walked none to earn the victory. Charlie Lea (7-6) worked two innings and gave up three runs on

#### Major League Standings

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**Transactions** American Labout CALIFORNIA ANGELS—R

NATIONAL LEAGUE SAN DIEGO PADRES—Plocad Ichelberger, plicher, on the 21-day disob BASKETBALL National Societa Association
- SEATTLE SUPERSONICS—Sont Bill Honzille.

FOOTBALL:

FOOTBALL

Noticed Footbell League

ATLANTA FALCONS—Signed Billy Johnson,
wide receiver-pout returner.

DENVER BROWCOS—Signed Louis Wright,
EDIFFERIOR, to a one-year contract,
KANSAS—CITY—CHIEFS—Placed Frank
Monaradisago, Thebacker, and Bob Grupe,

Pirates 3, Reds 1

In Cincinnati, John Candelaria and two relievers pitched a five-hitter as Pittsburgh extended the Reds' latest losing streak to five games, defeating Cincinnati, 3-1.

Cubs 5, Astros 3

In Chicago, Bobby Molinaro, atting 183, hit a bases-loaded batting 183, hit a bases-toacco pinch-hit double in the eighth inning to drive in three Chicago runs and beat Houston, 5-3. Giants 5, Mets I

In San Francisco, Reggie Smith hit a two-run single as San Francisco scored five times in the third to beat New York, 5-1. The Giants sent 10 batters to the plate that inning Milt May and Chili Davis both singled in runs, and the fifth run scored when right-fielder Ellis Valentine dropped a fly ball.

#### Twins 5, Brewers 3

In the American League, at Minneapolis, Kent Hrbek drove in two runs before he was ejected from the game, leading Minnesota to a 5-3 victory over Milwaukee. Jack O'Connor (3-3) picked up the victory in a game that was halted by a bench-clearing melee in the sixth inning. Mike Caldwell (7-9) was the loser.

Mariners 6, Yankees 5

in New York, Bobby Brown's double and an error by right-fielder Ken Griffey broke a ninth-inning tie and gave Seattle a 6-5 victory over the Yankees, snapping their five-game winning streak.

Tigers 1. White Sox 0

In Detroit, Lou Whitaker had three hits and drove in the game's only run to back the four-hit pitching of right-hander Dan Petry as Detroit defeated Chicago, 1-0. The victory was the Tigers' first in their

#### Line Scores

Cinchnoti 100 800 000—1 5 2 Candeloria, Sourcy (6), Tekulve (9) and T.Psno: Berenyl, Kern (8) and Van Gorder,

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Bedraslan (7) and Benedict; Stucer; Lahli (2),
Keener (5), Koat (5), Balr (5), LaPaini (9) and
Porler, Brummer (6), W—Lahli, 1-1, L—Cawley,
1-1, HR3—Atlanta, Hubbard (6), St.Lauts, McGee

(1).
Philodelphia 000 000 000—0 2 2 2 3 on Diese 010 000—2 4 2 Cartion and 6.Diaz; Monlefusco, DeLeon (8) and T.Kennedy. W.—Montefusco, 2-5. L.—Cartion. 12.8. HR.—San Diego, T.Kennedy (11).
Montreal 000 106 000—1 4 6 Los Angeles 121 005 000—10 13 Len: 8.5 mith (3). Burris (5). Schatzeder (8)

Lea: B.Smith (1), Burris L5), Schatzeder and Carter, Blockwell (7); Reuss and Sclas VV—Reuss, 18-7, L—Lea, 7-4, HRs—Las Ange

(8), Tidraw (9) and J.Davis. W-35, L-Sutton 9-6, HR-Houston.

Blue Jays 9, Royals 2

In Toronto, Alfredo Griffin's two-run single highlighted the Blue Jays' four-run fourth inning, and Dave Stieb continued his mastery over Kansas City with a seven-hitter and a 9-2 Toronto victory.

A's 6, Indians 4

In Cleveland, Mickey Klutts batted in two runs to help Oakland snap a six-game losing streak with a 6-4 victory over Cleveland.

Angels 7, Orioles 4

In Baltimore, Fred Lynn hit a homer and drove in three runs, and Rod Carew added three hits and two RBIs for the Angels as California beat Baltimore, 7-4.



A brawl erupted after Robin Yount of the Brewers took out Lenny Faedo, the Twin shortstop, to break up a double play attempt in the sixth inning of the Twins' 5-3 victory over the Brewers.

# For Most, the Big Time Will Always Be a Dream

#### Loyal Baseball Fans in Quad Cities **Keep Cheering Minor League Cubs**

By Alice Noble United Press International

DAVENPORT, lowa — The smell of popcom and hot dogs wafts through John O'Donnell Stadium. A girl in a lancy red jacket and short skirt unfolds metal chairs in the boxes.

It is summertime, minor-league baseball time, in the Quad Cities, where Davenport and Bettendorf in Iowa and Moline and Rock Isand in Illinois cluster around the Mississippi River, and where players strive to make the big time and fans treat them as if they already

The crowd begins filing in. The organist butchers a few tunes. At 7 p.m., with enthusiasm, he launches into the Quad City Cubs' theme

song.
In the dugout, George Enright, manager, his club riding in first place of the Midwest League's southern division, spits into a small sandbox at his side. "I've heard it expressed that the

main objective is developing talent, not necessarily winning." he says with careful thought. "My own belief is — you have to win." The Cubs, the parent club in Chicago, are in last place in their division. But Enright does not intend to let that affect the Class A affiliate in the Quad Cities." He intends for the Quad City

Cubs to stay in contention in the Midwest League. With 12 teams, the Midwest League is the largest or me or pro leag inat puts a lot of pressure on these novice players. Most are fresh out of high

school. Some have had a few years of college. Each has a dream making the big leagues. Few will. Less than 3 percent do. "The percentages are definitely

against you." Enright says. "But been known to pass along a it's a dream every kid has always check as reward for a home run.

SANTA CLARA, Calif. — Chris.

Evert-Lloyd and Martina Navrati-

lova swept their singles matches

Tuesday night to lead the United States past Indonesia in the first

round of the 20th annual Federa-

straight Federation Cup singles match without a loss, quickly

dispatched of Utaminingsih, 6-2,

6-1. The Indonesian surprised

Evert-Lloyd early in the match by

jumping off to a 2-0 lead before

Evert-Lloyd, who won her 24th

tion Cup tennis tournament.

had when he first started playing baseball — to make it to the major

At 28. Enright has been to the majors and back. He signed with the White Sox in 1972, played his way up through the minors, hit the majors — for six weeks. He was traded for a minor leaguer. He turned to coaching in 1980.

For many a player, he says, "the day comes when you're confronted the manager or farm director. who tells you to go home and look into some other sort of occupa-"It's like a cancer in the family." says Quency Hill, pitching coach,

about the shock of it. "You know it's coming, but there's no way to prepare yourself for it." Now, traveling around the Mid-west League by hus every week is

what gets to Enright. "You're always on a two-lane highway that has more potholes than the moon," he says. to sleep is impossible. And you get to eat at all those good truck stops and get to pull into a motel at 2 a.m. only to find out the rooms aren't ready.

So when the Cubs come home from the Combelt metropolises they are always glad to be back. Back from such outposts as Burlington and Cedar Rapids in Iowa and Madison, Appleton, Beloit and Wausau in Wisconsin.

"This is it, right here," Enright says of the home park, where the red, yellow and blue paint is chiproost in the upper rafters. "It's got atmosphere. It's not your run-ofthe-mill American Legion park." One thing the Cubs have going

for them is a small group of older women, the Quad City Mothers' Club. The women bake cakes for the players' birthdays. They have been known to pass along a \$5

Navratilova's powerful game

was too much for Susana Angga-

kusuma, who was routed 6-0, 6-0.

The Wimbledon champion forced

the action on every opportunity

and skillfully used a mixture of

drop shots and driving forehands

to beat the Indonesian in just 45

to take the doubles match 6-0, 6-0,

over the two Indonesian women to

make it a clean sweep for the

Navratilova and Evert teamed

minutes.

Americans.

#### No Need for Umpires or Linesmen In Frugal World of Satellite Tennis

By Neil Amdur New York Times Service

HUNTINGTON STATION. N.Y. — There were no umpires or linesmen, unless requested. No scoreboards. Only one can of balls to start a match. One practice court. Housing only for seeded players. Buy your own lunch. Welcome to the wonderful world of professional tennis, son, satellite-

The exotic stops for the stars on the Grand Prix men's tour this week are Washington, Kitzbühel (Austria) and Hilversum (the Netherlands). But for Todd Witsken, a promising 18-year-old collegian from Indiana who is trying to build a name and game, and for Bruce Foxworth, a 25-year-old pro trying to improve his ranking and way of living, satellite events are more survival schools than sum-

The USTA-Feron's Classic at the North Hollow Hills Racquet Club is among five sanctioned satellite tournaments on the international calendar this week. Others are in Spain, the Netherlands, Switzerland and Canada.

"I wouldn't really call it the mi-nor leagues," said Foxworth, a pro since 1978, whose ranking (260) is not high enough to qualify him for most major tournaments. "There's just a very small line from 100 to 350. Last year. Chip Hooper was ranked 300; now he's in the top

Mel Purcell and others fuel the hopes of players like Foxworth and Bobby Weise, a 25-year-old pro from New Jersey who has won as much as \$1,000 in a tournament but has yet to win a match in 20 events on the USTA satellite cir-

"Last year I drew the same guy in the first round of three of four

citizen last year, was playing for

the first time as a member of the U.S. team. "I was a wreck out

there," she said. "I'm just glad they

didn't play the national anthem

Canada, 2-1, with two singles vic-

tories. Helena Sukova beat Carling Bassett, 6-1. 5-7, 6-2, and Hana

Mandlikova beat Marjorie Black-

Brazil surprised France, 2-1.

Meanwhile, Czechoslovakia beat

before the match."

wood, 6-2, 6-1.

tournaments," said Weise, a curly-haired blond, who works as a parttime bartender to supplement his income. "If that ain't depressing, nothing is."

There was little of the glamour associated with pro tennis at this Long Island stop Tuesday. The few spectators were limited to friends. To pass the time before and after matches, players tackled electronic games, listened to music on Walkman sets, brought in sandwiches from a nearby deli. practiced or watched others from a class-enclosed lounge that almost nullified any drama on the five indoor courts.

"If you're not winning, it can be very depressing," said Weise, No. 547 in the ranking, who lost his first-round match. With only an \$1,100 top prize

and \$70 for first-round losers, some of whom have to survive qualifying, money is a major consideration for many satellite pros. Foxworth, who lives in Los Angeles and is seeded fourth here, said he had gone down to his last \$30. with no money in the bank, until he won a tournament in Augusta, Ga., earlier this year. Some players string racquets for

pocket money; others save hotel bills through the hospitality of private homeowners. Ed Gaskell, who at 27 is a late starter as a pro, is sponsored by the owner of a roofing company in Alabama.

Mistakes can be costly. Tom ontana, seeded second in the qualifying, got stuck in traffic Sun-day, arrived 25 minutes late for his match and was defaulted. "It's not easy, not cushy," said

Larry Davidson, a former pro and now a circuit director. "Most of the guys play to see if they can accumulate computer points for Grand Prix qualifying, and a majority of them lose money.'

Jo Durie and Anne Hobbs of Britain defeated Sabina Simmonds

and Patrizia Murgo of Italy, 6-4, 6-

3, to give the English a 2-1 victory

over Italy, Earlier, Virginia Wade

defeated Barbara Rossi, 6-3, 6-1,

and Simmonds battled Durie to a

4-6. 7-6. 6-1 decision to set up the

In other matches, Hong Kong defeated Taiwan, 2-1; Mexico beat

deciding doubles match.

Navratilova who became a U.S. 6-3, 7-5 decision over Corinne itizen last year, was playing for Vanier, Brazil defaulted the dou-

bles match.

# McNamara Fired As Reds' Manager; **Nixon Takes Over**

CINCINNATI — John McNamara was fired Wednesday as manager of the Cincinnati Reds

The club president, Dick Wagner, said that Russ Nixon, a Reds coach for seven years and a manaer in the Reds farm system from 1970-75, would replace the 50-year-old McNamara, who had managed the Reds since Sparky Anderson was fired prior to the

"We have 70 games remaining in the season and our work is cut out for us." Wagner said. "Now it is time for our club to go ahead and play like it's capable of play-

"A managerial change is never an easy move to make. The bottom line in this case is that I feel we are a better ballelub than our record of 34-58 indicates. I've talked with Russ and I feel he is the man for

Nixon, 47, was a major league catcher for 13 years with the Boston Red Sox. Cleveland Indians and Minnesota Twins. He was born in Cleves, Ohio, a Cincinnati suburb, and lives with his family in

nearby Williamsburg, Ohio. During six years in the Reds farm system as manager at Sioux Falls, S.D., and Tampa, Fla., his teams won one championship and finished second three times. He has also managed in Mexico in the

Nixon said the move happened so quickly that he did not have time to think about it.

He said: "Within the next few hours, I might be able to get my feet back on the ground. In winter ball, I've done just about every-thing. I think I do deserve it."

Wagner said the decision to make the change was made in Wednesday morning. He talked to Nixon about a half-hour later, and told McNamara minutes after of-

fering the job to Nixon.

Wagner was asked about persistent rumors that Johnny Bench. former catcher and third baseman. would be named to the manager's

job.
"I've always maintained that a fellow, to manage in the majors to-day, needs several years in the minors," Wagner replied. "We have a strong organization and a good club and we will continue to push forward with a youth movement to build a ballclub that will play in the tradition of the Cincinnati

McNamara said last week that Wagner had begun advising him who to insert in the team lineups. McNamara said he had not been offered a new contract for next year. He did not attend the news conference.

"I want to thank John McNamara for his dedication and hard work," Wagner said. "He is a man's man and made every effort to do the job asked of him.

### **SPORTS BRIEFS**

#### Winnen Captures 17th Leg of Tour

MORZINE - Peter Winnen of the Netherlands won the 17th stage of the Tour de France bicycling race Wednesday by clocking seven hours, 34 minutes and 20 seconds on the 251-kilometer (156-mile) course that marked the race's last mountainous leg.

Johan van der Velde, another Dutchman, took second place, while,

Jean-Rene Bernaudeau of France was third. Bernard Hinault of France, who finished sixth, two minutes and 27 seconds later, retained the overall lead that he has held since last Wednesday.

The stage was run in extremely hot weather, causing a large number of riders to abandon the 23-day race that ends in Paris on Sunday. Among those to withdraw was Jostein Wilmann of Norway, who had been ranked 13th in the overall standings after Tuesday's stage.

#### Doctors Said to Lose Hope on Fencer ROME - Doctors have given up hope of reviving Vladimir Smirnov,

the Soviet fancing star who has been a coma since Monday when he was pierced through the eye in a match at the World Fencing Championships, Italian television reported. The broadcast quoted doctors as saying that Smirnov was being kept

alive with a life-supporting system. The injury resulted in hemorrhaging from the cerebral ventricles, the doctors said.

#### FISA Tribunal Rejects 3 Appeals

PARIS — An appeals tribunal of the international Auto S ation has rejected three submissions that could have changed the face of Formula One motor racing. The tribunal rejected an attempt by British teams to have turbo-

charged engines ruled illegal and an appeal by Ferrari against the disqualification of the late Gilles Villeneuve from thrid place in the Long Beach Grand Prix because his car carried an illegal rear wing. It also rejected an attempt by the French Auto Sport Federation to

have all cars that carried water tank ballast disqualified from the Brazilian Grand Prix.

#### Teltscher Upset by U.S. Teen-ager

WASHINGTON - Jimmy Brown, a 17-year-old American, upset third-seeded Eliot Teltscher, 6-4, 6-2, in the first-round of a Grand Prix tennis tournament here Tuesday.

Brown, last year's No. 1-ranked American junior who has been building an enviable reputation on clay surfaces, took a 4-2 advantage in the second set by breaking Teltscher's serve in the sixth game. Teltscher, who had argued with the umpire and line officials throughout the match. appeared to lose his concentration and never got back in the match.

#### **Weaver Signs to Fight Top Contender**

NEW YORK - Mike Weaver has signed to defend his World Boxing Association heavyweight title in September against Michael Dokes, the top contender it was appounced

Weaver, whose title defense against Randy (Tex) Cobb scheduled for this Sunday in Las Vegas was wiped out when Cobb suffered a badly cut lip last weekend, also has been guaranteed a unification bout against the World Boxing Council champion, Larry Holmes, if he beats Dokes, according to Don King, the promoter.

#### The victory advanced the Unit-ed States, which has not lost the Claudia Monteiro started with a 6-2, 6-2, triumph over Frederique Guerrera (18), Scoscia (3). New York 000 061 000—1 7 1 Son Francisco 055 000 00x—5 7 1 Puleo, Oresco (5), Rajiones (6), and Shearas; Gale, Holland (6) and May, W—Gale, 4-9, L— Puleo, 7-7. Belgium, 2-1; Israel defeated Austhe American gained her compopublish on wolvers. MINNESOTA VIKINGS—Signed Steve Dils. Quarterbook, to a two-year contract, Signed 1st tria. 2-1, and the Philippines beat sure and her steady game to overwhelm Utaminingsih. tournament since 1976, to a sec-Thibault. Then Patricia Medrado ond-round match against Mexico. completed the singles sweep with a Compiled From Agency Dispatches

U.S. Women Sweep Opening Matches in Federation Cup

After Confessing to Throwing Races, Retired Cyclist Rejoins the Tour de France as a Chauffeur

New York Times Service. PARIS - The last time he saw Paris, Alain Meslet's heart was neither young nor gay but' troubled. He had just publicly confessed to throwing bicycle races and using illegal drugs. and then, on July 19 last year, there he was riding in the Tour de France, completing the traditional last laps on the Champs-Elysées and finishing 41st overall in the world's major bicycle endurance race.

At the end of the afternoon, while hundreds. of thousands of Frenchmen were cheering Bernard Hinanti's victory, Mesler, then 31 years old retired. His six-year career as a professional ended on the broad and elegant avenue where he had known his only real glory: in 1977 he won the final stage in Paris, crossing the finish line with arms upraised and the sly smile of somebody who has surprised even himself.

The final day's winner is always echosed by the finish of the long haul and the anointing of the overall champion; even the daily victory ceremony in which the stage winner is given a bouquet is usually overlooked as some French dignitary presents a Sèvres porcelain vase to the overall winner. So Meslet's victory was unsung. But it mattered to him.

"I used to make between 1,500 francs and 1,800 francs [then \$300 to \$350] in each of the criteriums," local races staged throughout the country day and night for weeks after the Tour de France. In 1977, I reached 2,500 france. which wasn't bad "

Money means a lot to Meslet. As a professional bicycle rider with four teams, he sometimes was willing to do anything to make moncy, as he admitted just before the Tour ended. And then he slipped away, opening a bicycle shop in his native Brittany, "turning a page," as

Mesiet will be back in Paris on Sunday when the 69th Tour de France completes its 2.188mile Johnney (about 3,500 kilometers) from lière won the French championship. He keeps

rive by car, driving for Le Télégramme, a daily newspaper in Brest, a city in Brittany near his home in the village of Evron.

Brittany is big cycling territory, so Le Telegramme devotes pages every day to the race and sends along two reporters to cover its every moment. Meslet chanffeurs them, picking his way with horn and occasionally braking through the 140-odd riders remaining of the 169 who started in Basel. He shadows the pack from town to town - moving through the riders to reach advance observation posts or restaurants, staying at their heels while the reporters observe and make notes. When the riders reach the day's finish, the reporters scramble from the car and trust Meslet to park it, unpack it and prepare it for the next day's chase.

With more than 300 reporters following the Tour by car, not to mention up to half a dozen vehicles for each of 15 teams plus innumerable cars for officials, there is plenty of employment available for drivers. No special training is needed since job requirements exactly fit the average French motorist: disregard for speed limits, contempt for others on the road and heartfelt trust in immortality. Many of the drivers have been involved with the Tour de France before as riders and now sit behind the wheel as a way of staying in touch.

Jean-Claude Theillière, for example, was a professional racer for eight years and rode in the Tour four years as a teammate of Jacques Anquetil, five times a wirner of the race in the late 1950s and 1960s. Theillière, who now owns printing shop in Clermont-Ferrand, has been a driver for the press for the last three years.

"I applied six years ago," he says, "and then one day they called and said I had the job. They pay me, of course, or else I would spend July at the seashore, but it's still nice to be back with the Tour de France." once had a day to remember: In 1966, Theil-



Alain Meslet, with a new rôle in the Tour de France.

sionally to friends. "It's a nice souvenir," Theil-

Meslet does not have a similar souvenir but he came close. "My biggest regret was the championship of France in 1976 at Montauban;" he has said. He finished second because, he admits, he threw the race for money.

Meslet revealed this, just before he retired, in an interview with the respected Noël Couedel in the French daily sports newspaper, L'E-He never won a stage but, like Meslet, he quipe, the primary sponsor of the Tour de nee had a day to remember: In 1966, Theil-France. The interview caused no stir because the next day Hinault won his third Tour de Erance and for weeks everyhody was discussing

Since then Meslet has dropped out of general sight. In Brittany he runs a small store — "I sell bicycles and sports clothes, my family has an apartment upstairs." His presence in this year's race seems to have caused no adverse comment. "I still have a lot of friends among the rid-

ers," he insists. "Nobody is nasty to me because of what I said," He got his chauffer's job, he says, when Le Télégramme phoned and invited him to work. "Of course I said yes. I like the Tour de France and meant it no harm. I said what had to be said, what I needed to say.' "What you're saying," Couëdel asked him vear ago, "you're saving out of rancor?"

"You quit cycling happy?" Couedel pressed.
"Oh yes, very. Without cycling, I would have

wound up working in a factory."

Nobody has publicly challenged what Meslet said, so it can be inferred that he spoke truth-

to say it because young racers don't pay atten-

fully. He insists that he also spoke for many other riders, so it can be assumed that his remarks offer a low-level general insight into the world of professional bicycle racing. Discussing the 1976 championships, Meslet said: "I was racing with [Guy] Sibille, who was smarter than me. He offered me a lot of money

and I was making 2,500 francs a month, so I was taking a big risk building a house. I accepted the offer of money.' 'I'm sorry to have sold out ... Instead of the [50,000 francs] I got, I could have made four times that by winning the championship, be-

tween the criteriums and a salary increase. I made a mistake." "Sibille got the best of you," Couedel said, "but later you did the same to others."

"Naturally," Meslet replied. "You have to be cold-blooded and not worry about making friends. I've sold races, but that happens often enough. Last year [1980], for example, I sold my services to anybody who wanted them. I was racing well on the Côte D'Azur and in the Tour of the Tarn but you've got to be a realist. Those are only second-rank races, I wasn't selling the Championship of France.

"I wasn't winning enough and I needed mon-Cycling is a nice way to make your living, but it can be deceiving. The sport I like is track and field. It's healthy, it's pleasant to watch and it hasn't been ruined by money."

Then Meslet turned to the use of drugs, a controversial subject in bicycle racing. During the professional season from Feburary to October, riders are exposed to wind, rain and even snow as they log up to 150 miles a day, often in the mountains. They feel tired and they get sick, and often they are treated with some of

Riders are occasionally caught by urinalysis and then penalized — Angel Arroyo was stripped of his victory this year in the Tour of Spain, the Vuelta as it is called, and Eric McKenzie of his victory in the Championship of Zurich.

"In 1976," Couëdel said, "you were aston-ished that nobody noticed you had gained a lot of weight during the Tour de France.

"That's right, I remember," Meslet answered "I trusted the way we were prepared for the race. But in the first stage, I finished in the last five. Something had gone wrong. That night I felt like my skin was cracking. I looked in the mirror and got scared. I was swelling up as I watched.

"I know I was to blame, too, because I accepted all that stuff, including vitamin potions with the labels scratched off. I needed money, I was young. I was dazzled by good results.
"And then I understood that health was

worth more than all that. In 1977 I took care of myself. It's better to be a minor racer than to burn up inside. Cortisone, there's the enemy. "What I've got to say is simply this: Pay attention to your health. Don't take cortisone, it

stays in the body. All that saved me is that I was stupid for only a short time." At the end of the interview, Couëdel noted that "People are going to say that, in this interview, you and I give a bad impression of cycl-

"Perhaps." Meslet said. "But you have to understand that everything I've said, a lot of riders think but hesitate to say. I assure you that many riders think like me. But nobody talks about it. When they're asked, they tell lies. What I've said is the truth."

So Meslet continues to insist. "Nobody holds it against me," he said one morning this month, waiting for the race to start. "There were no reprisals after the interview and here I am, back with the Tour de France." The bicycle racers set off and Meslet excused himself. It was time to slip behind the wheel of the car and folk

### ART BUCHWALD Baggage Excesses

WASHINGTON — "This is ridiculous," said Tabash, as he read The New York Times on the beach. "It says here that the toughest time for couples is when they go on vacation. The reason they go on vacation. The reason they go on vacation their particles and takes a prespire with the take that the full of guilt. They feel guilty about taking a vacation their particles and takes a prespire with take the present that the full of guilt. They feel guilty about taking a vacation their particles and the present the full of guilt. They feel guilty about take the present that the full of guilt. They feel guilty about take the present that the full of guilt. They feel guilty about take the present that the full of guilt. They feel guilty about take the present that the full of guilt. They feel guilty about take the present that the full of guilt. They feel guilty about taking a vacation their particles are the present that the present that the present the pr seems to be that the couple is together for an uninterrupted block of time. The husband and wife

have fantasies of what it will be like to be together, and many times these fantasies don't come true, so they get angry and pick fights with each other over little things. One doctor in the article Buchwald calls it 'psycho-

logical baggage. Fenton laughed. "Barbara and I don't feel that way.' Fenton's wife sat up angrily and said, "My name isn't Barbara. It's

"Barbara - Bernice, what's the big deal?" Fenton asked.
"After 15 years of marriage you could get my name right."

"Now you're getting picky," Fenton said. "Barbara is my secre-tary, and every once in a while I get them mixed up," he explained to the rest of us."

"It's an honest mistake," I agreed. "A guy can't remember his wife's name all the time. That's why I always call mine 'Honey.'

"What else does the article say?" Fenton wanted to know.

#### **\$90,000** Gold Nugget Is Unearthed in Brazil

Compiled by Our Staff From Dispatches BRASILIA — A 16-pound lump of almost pure gold valued at about \$90,000 was unearthed by miners in the northern Amazon region, according to the Mines and Energy Ministry.

A ministry spokesman, calling the find "incredible," said he believed it was the largest single chunk of gold ever discovered in Brazil. He said the 7.4-kilogram nugget was discovered Sunday in the government's Serra Pelada surface mine in Para state and would be turned over to the nation's central bank. Gold was selling on international markets Wednesday for about \$360 an ounce.

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Tabash referred to his paper. "People who take vacations are disharmony in the couple and ulti-

mately spoils their vacation." "I don't feel guilty about not working." said Dobler. "I'm enjoy-ing every moment of it." Then why are you on the phone

to the office every day?" Astrid Dobler asked. Because I have to know what is

going on." Dobler replied bitterly.
"You can't have a good time if you have no idea what they're doing in the shop while you're away. My clients don't pay me to sit on the beach all day long. I notice you call the house-sitters every day. That's different. It's my house,

and if they don't hear from me daily, they'll think I don't care what they do to the place," Astrid re-Dobler turned to all of us. "I

couldn't go on vacation if I didn't check in with the office. One lousy call a day doesn't make you a workaholic.

You've never known how to take a vacation, because your parents never took one. Astrid said.
"They never had the money to take one." Dobler shouted.

'Right now they're stuck in an apartment in Brooklyn all summer. It gives me heartburn every time I think about it."
Astrid said, "I'm not responsible

because you're having a guilt trip about your parents.

"Keep reading, Tabash," I told him. "I think you're making our

Tabash said, "The article says they did a study at the University of Minnesota and found more couples fought with each other during the summer than at any other time in the year."

"It figures," I said. "That's when they're stuck with each other's neuroses for the longest period of "What neuroses?" my wife

wanted to know. "I'm not talking about us," I said. "Besides, I thought you were

She threw a bluefish at me. What I am supposed to do with this?" I sputtered. "Stuff it in your psychological

baggage."

1982, Los Angeles Times Syndicate

# The \$236,000 Jackpot

The Life and Luck of Author Ved Mehta

By Richard F. Shepard

NEW YORK — Money may not be everything to a writer of serious works rarely destined for the top 10 and movie deals, but it certainly helps, as Ved Mehta says about his five-year award totaling \$236,000 from the John D. Catherine T. MacArthur Foundation.

Mehta, a New Yorker magazine staff writer, has written more than a dozen books about his native India, his blindness, his fascination with Western philosophers and theologians and his extremely acute perceptions of places and people. He was one of 19 persons announced as the latest recipients of the foundation's no-strings fel-

'No Tenure'

"It makes me feel freer of financial pressure," the 48-year-old au-thor said in his book-lined office at The New Yorker's headquarters. "I am still numbed by it. One has no tenure as a writer. You're as good as what you last wrote.

"I've been sitting in this little office from 10 a.m. until a quarter to 8 five days a week for 20 years, and I-work at home on other days. I've been embarked on a project, a personal history. The third vol-ume, 'Vedi' — that's my first name, familiarly — will be published by Oxford Press in September, and I'm already well into the fourth. The advance on 'Vedi' was \$2,500, and it took me three years

to write the book." Mehta, a trim and energetic man who has lived in the United States since the age of 15, except for several years of postgraduate work at Oxford, was not crying poverty but rather spelling out, as a careful writer does, what the award will mean to him. He emphasized that in some years he had made more than \$70,000 but in others perhaps less than \$10,000. The New Yorker, he said, is one of the highestpaying magazines, if not the highest, for articles.

Money, however, is demonstra-

down a request to appear on the "\$64,000 Question" television quiz show. He is more interested in ideas and books and spreading the

Mehta has gained critical note a weaver of profiles, an interviewer who can interpret character and context in the exchange of words with a subject. He is scholarly and journalistic and, above a man who thinks things out. He is blind, yet he describes with scrupulous detail appearances of rooms, countryside, faces, attire. He has said that this talent is inexplicable, that he does not under-

mulated by others to explain it. William Shawn, editor of The New Yorker, who invited Mehta to join the staff in 1961, spoke of the qualities he discerned in him as an

stand all the mechanisms involved,

and he dismisses the theories for-

"Ved Mehta has established himself as one of the magazine's most imposing figures. His literary qualities are his own. Where there vere no forms to accommodate what he wanted to say, he created new forms, and his prose style airy, elegant, marvelously clear is his signature. He writes about serious matters without solemnity. about scholarly matters without pedantry, about abstruse matters without obscurity."

10 More in His Head

More often than not, Mehta's writes about his homeland, his home and himself, with both an emotional bond and an intellectual objectivity. At age 23, an autobiographical study. "Face to Face," was published, and he went on to write novels and nonfiction. These themes have become central to him as a writer, and this is where the MacArthur fellowship will lend a beneficent hand.

quiring and imaginative writers serious oook it occomes narder hoperessness attached to the lives that changes in the fitting mind. He is a very private person; and harder. Who wants to read a of the blind, who were expected to changes me, it will do so gradual-be once spurned an invitation to book about someone's mother that become dependents or beggars, so ly."

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immediate pop fame by turning ends in 1932, as 'Mamaji,' the second book in this series, after 'Daddyji,' does?"

> Mehta observed that such books as his are published, if at all, more and more by university presses, a condition that did not apply in the 1960s and early 70s. He has received a \$500 advance from Columbia Press for a reissue next year of "Fly and the Fly-Bottle: Encounters With British Intellectuals," first published in 1963. By September, he said, he will have had 14 books published.

> > Noncommercial Subject

"In my case, being blind, it is not just a case of getting a pencil. Everything I write must be read aloud, must be read back to me. I did nothing for five years but write Mahatma Gandhi and His Apostles,' published in 1977. I read 400 biographies of Gandhi. For this I received what, to me, seemed a huge advance, \$15,000 from the Viking Press. I hope the book will live, but Gandhi is not a commercial subject. The way people read today, they want fast material, a précis, not something that can be

have written at all without The New Yorker. Beginning in 1961, he received a monthly check of \$800 as an advance against his writings for the magazine; the sum was in-

"Basically, it's the confidence of great odds, a lottery.
the editor," he said. "My writing "It reminds me of here has been eccentric, it bounces on the wall. I did a three-part profile of Gandhi for The New York- scholar at the University of Calier, although they had never done fornia at Los Angeles. There was anything like that on people who no money for me to go to college.

#### Dependents or Beggars

Mehta was born in Lahore in have 10 more volumes in my head. 1934 into a Hindu family that fled and bought a dozen cakes of soap, If I work the rest of my life, I in 1947, when the region was inwon't finish it. This project is not corporated into Moslem Pakistan. entries. We didn't win, but this felvery commercially profitable. Peo- When he was 3 years old he was ple have a great resistance to blinded as a result of cerebrospinal through things set in other cultures. With a meningitis. In India there was a quiring and imaginative writer's serious book it becomes harder hopelessness attached to the lives have radical changes in life. If this

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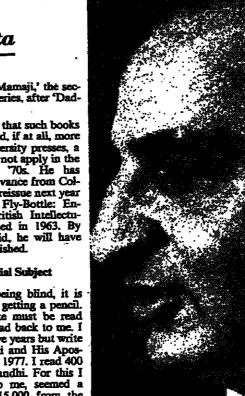
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lock Manning, The New York Times Mehta: Personal history.

the boy's family sent him in 1949 Mehta said that he could not sas School for the Blind, where he swiftly learned how to exploit his talents and resources. He is a U.S. citizen.

His elation at receiving the Mac-Arthur fellowship is not unlike creased to \$1,400 several years ago. that of one who has won, against

"It reminds me of when I was 18. My father, a public health official in India, was then a Fulbright

Lux soap had one of those contests: If you could write 25 words about how good Lux was, you could win a car and some money. Every morning, he and I went out lowship is like that coming

"I really distrust people who

# PEOPLE Rock, Rattle & Bytes

The computer whiz Steve Wozniak is staging a rock festival, expected to draw about 250,000, in a bid to recreate some of the spirit of Woodstock. It will be held over Labor Day weekend. Sept. 4-6, in Glen Helen Regional Park north of San Bernardino, Calif. The event is being staged by a Wozniak organization called UNUSON spokestian singer-tion." The American singer-songwriter and his wife, Annie, have two adopted children, Zachaan acronym for Unite Us in Song. ry, 8, and Anna Kate, 5. Wozniak, who invented the Apple Il home computer, said he is putting \$10 million into the festival, and hopes it will break even. There will also be a computer fair featuring more than 100 exhibits by Apple and other corporations such as IBM and Atari. UNUSON co-

val" is to celebrate the "us" decade of the 1980s as opposed to the "we-they" 60s and the "me" '70s. Concert promoter Bill Graham said at least 20 bands will perform: he has already signed The Police. Tom Petty, Pat Benatar, Fleetwood Mac, Santana, Talking Heads and The B-52s. Italian fans throwing stones and bottles clashed with police firing tear gas at a concert of the New York rock group Talking Heads in Milan. Po-lice said scuffles broke out with 500 fans who tried to enter the show without paying. Heavily outnumbered Carabinieri officers decided to let the fans go in free after tear gas failed to break up the crowd, police said. The concert went ahead but about 1,000 fans pelted police with rocks after the

founder Peter Ellis said the idea of

what's being called the "Us Festi-

The door to the Beatles' former London office has been auctioned for £3,600 (about \$6,120) at a charity ball in London. Covered with scribbled signatures and other graffiti, the door was bought by Terry D. Smith, managing director of Radio City, a commercial radio station in Liverpool, where the Beatles grew up and first performed. He will add it to his collection of Beatles memorabilia, which he is turning into an exhibition called "Beatles City," scheduled to open early next year in Liverpool.

performance. Police said four offi-

cers were injured and one fan was

arrested.

Former French President Valéry Giscard d'Estaing will visit the United States to attend a forum Aug. 13-15 at Vail, Colo., spon-sored by the American Enterprise

EMPLOYMENT

search. He was invited by former U.S. President Gerald R. Ford.

John Denver and his wife of 15 years have parted in what a spokesman called a "trial separa-

Eugene J. McCarthy wants his old job back. The former U.S. senator from Minnesota, a hero to Vietnam War opponents in the late 1960s, has filed for the state's Democratic primary in September. McCarthy denied that he rarely visits Minnesota: "I was here when the glacier started to recede. No one asks about my batting average in the Great Soo [baseball] League or who was the leading scorer in St. John's championship hockey team in 1936." McCarthy will face a department store heir, Mark. Dayton, for the right to run in November against Republican Sen. David F. Durenberger.

President Reagan has established a foundation in the name of James S. Brady, his press secretary, who was seriously injured when John W. Hinckley tried to kill Reagan last year. Reagan said the founda-tion will aid "individuals who have happen to them what happened to Jim in incidents of the same kind." James T. Lynn, a Washington lawyer and former secretary of housing and urban development, was named its president.

Rose Kennedy, who wanted to do something different," celebrated her 92d birthday by giving a \$750,000 endowment for a professorship to conduct research on mental retardation and child nearology. The matriarch of the Kennedy family sat by as her last living son, Sen. Edward M. Kennedy, announced the endowment from the front porch of her summer home at Hyannis Port, Mass. Kennedy said the Joseph P. Kennedy Jr. Foundation, named after his eldest brother, who was killed in. World War IL was giving the most ey to go with \$250,000 from Harvard Medical School to endow a chair at Massachusetts General

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